

10 April 2024

Dear Shareholder,

Schroder International Selection Fund (the "Company") – Emerging Markets Equity Impact (the "Fund")

We are writing to advise you that the Fund's investment objective, policy, sustainability criteria and Article 9 Pre-contractual disclosure in Appendix IV of the Company's prospectus in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288 have been updated and enhanced to better reflect the impact investment process.

Background and rationale

The Fund is classified as Article 9 under the Sustainable Finance Disclosure Regulation (SFDR) and invests in sustainable investments, which are investments that are expected to contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs. The Fund also holds investments that the Investment Manager deems to be neutral under its sustainability criteria, such as cash and money market investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. The Fund is part of Schroders' Impact Driven strategies. As such, it applies highly selective investment criteria and references to reflect this impact investment process have been added to the investment objective, investment policy, sustainability criteria and the pre-contractual disclosure.

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

All other key features of the Fund, including the relevant risk indicator and fees, will remain the same.

Full details of the changes being made can be seen in Appendix 1 to this letter.

You can find the Fund's updated key information document (the KID) for the relevant share class and the Company's Prospectus at www.schroders.com.

If you have any questions or would like more information about Schroders' products please visit www.schroders.com or contact your local Schroders office, your usual professional adviser, or Schroder Investment Management (Europe) S.A. on (+352) 341 342 202.

Yours faithfully,

The Board of Directors

Appendix 1

New wording is shown in bold, removed wording is shown in the strikethrough format.

Current investment objective	New investment objective
<p>The Fund aims to provide capital growth by investing in equity and equity related securities of emerging and frontier markets companies worldwide, or companies which derive a significant proportion of their revenues or profits from emerging markets or frontier markets countries worldwide, which help to advance the UN SDGs and which the Investment Manager deems to be sustainable investments.</p>	<p>The Fund aims to provide capital growth by investing in equity and equity related securities of emerging and frontier markets companies worldwide, or companies which derive a significant proportion of their revenues or profits from emerging markets or frontier markets countries worldwide, which help to advance the UN SDGs whose activities the Investment Manager considers create positive social or environmental impact and which the Investment Manager deems to be sustainable investments.</p>
Current investment policy	New investment policy
<p>The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments that are expected to contribute towards the advancement of some or all of the UN SDGs, to be managed in the interests of all stakeholders, and to deliver returns to shareholders over the long term, and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria (please see the Fund Characteristics section for more details).</p> <p>The Investment Manager will select companies from a universe of eligible companies that have been determined as meeting the Investment Manager’s impact criteria. The impact criteria include an assessment of the company’s contribution to the UN SDGs. This means that the extent to which companies deliver a direct or indirect positive impact to society in order to advance the UN SDGs together with the impact that these actions could have on a company’s value are considered in the assessment of companies.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability-Related Disclosure” on the Fund’s webpage https://www.schroders.com/en-lu/lu/individual/fund-centre</p> <p>The Fund invests in companies that do not cause significant environmental or social harm and 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 webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/</p>	<p>The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments that are expected to contribute towards the advancement of some or all of an environmental or social objective linked to one or more of the UN SDGs, to be managed in the interests of all stakeholders, and to deliver returns to shareholders over the long term (please see the Fund Characteristics section for more details), and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria, such as cash and money market investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. (please see the Fund Characteristics section for more details).</p> <p>The Investment Manager will select companies from a universe of eligible companies that have been determined as meeting the Investment Manager’s impact criteria. The impact criteria include an assessment of the company’s contribution to the UN SDGs alongside the Investment Manager’s assessment of the company’s impact via its proprietary impact investment management framework and tools (including an impact scorecard). This means that the extent to which companies deliver a direct or indirect positive impact to society in order to advance the UN SDGs together with the impact that these actions could have on a company’s value are considered in the assessment of companies.</p> <p>The Fund is part of Schroders’ Impact Driven strategies. As such, it applies highly selective investment criteria and its investment process is aligned with the Operating Principles for Impact Management which means that an assessment of impact is embedded in the steps of the investment process. All sustainable investments in the Fund are subject to this framework.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability-Related Disclosure” on the Fund’s</p>

<p>The Fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of emerging and frontier markets companies or companies which derive a significant proportion of their revenues or profits from emerging markets or frontier markets countries. This means typically holding fewer than 50 companies.</p> <p>Companies held by the Fund are subject to a financial assessment by the Investment Manager to help identify the potential for long term shareholder returns.</p> <p>The Fund may invest directly in China B-Shares and China H Shares and may invest up to 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.</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. The Fund may buy or sell equity index futures and buy and sell index options on indices or individual stocks. To obtain exposure to equity indices and individual stocks, the Fund may also enter into contracts for difference where the underlying investments are not delivered and settlement is made in cash. 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 20% and is expected to remain within the range of 0% to 20% of the Net Asset Value.</p>	<p>webpage https://www.schroders.com/en-lu/lu/individual/fund-centre</p> <p>The Fund invests in companies that do not cause significant environmental or social harm and 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. The Investment Manager may also engage with companies held by the Fund to seek to improve sustainability practices and enhance social and environmental impacts generated by underlying investee companies. More details on the Investment Manager’s approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/</p> <p>The Fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of emerging and frontier markets companies or companies which derive a significant proportion of their revenues or profits from emerging markets or frontier markets countries. This means typically holding fewer than 50 companies.</p> <p>Companies held by the Fund are subject to a financial assessment by the Investment Manager to help identify the potential for long term shareholder returns.</p> <p>The Fund may invest directly in China B-Shares and China H Shares and may invest up to 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.</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. The Fund may buy or sell equity index futures and buy and sell index options on indices or individual stocks. To obtain exposure to equity indices and individual stocks, the Fund may also enter into contracts for difference where the underlying investments are not delivered and settlement is made in cash. 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 20% and is expected to remain within the range of 0% to 20% of the Net Asset Value.</p>
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Current sustainability criteria	New sustainability criteria
<p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>In order for an investment to be eligible for inclusion it must first go through a process of validation by the Impact Assessment Group (IAG). The IAG consists of members from Schroders’ sustainable investments team and portfolio managers from the Emerging Markets team. This review process will use a framework consisting of the following key questions:</p> <ul style="list-style-type: none"> - What positive contribution does the company make to society, which of the UN SDGs does this relate to and what is the level of materiality? - Do any of the activities of the company create significant negative externalities to society? - What is the level of commitment by management to manage the business sustainably? - Does the company treat employees, customers and suppliers fairly? <p>Does the company respect the environment?</p> <p>The IAG will then decide whether a company is eligible for inclusion in the Fund’s portfolio.</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>The Investment Manager ensures that at least 90% of the portion of the Fund’s Net Asset Value composed of investments in companies is 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 emerging and frontier markets companies or companies which derive a significant proportion of their revenues or profits from emerging markets or frontier markets countries.</p>	<p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>Investments are composed of companies whose products and services contribute positively to at least one of the UN SDGs. In order to identify companies with a direct link to a UN SDG, the Investment Manager applies a two step approach:</p> <ul style="list-style-type: none"> - The first is a revenue based approach that considers whether a certain percentage of the relevant company’s revenues, capital expenditure or operating expenditure contributes to an environmental or social objective (as applicable). - The second is a detailed impact assessment of the company via the completion of a proprietary impact scorecard. The Investment Manager considers different aspects of impact such as: what outcome and UN SDGs the company is contributing to; who is served by the outcome (such as the relevant stakeholder or industry); an assessment of our expected contribution (including Schroders influence and engagement); and consideration of impact risks. The assessment typically includes Key Performance Indicators (KPIs) that are used to track the company’s impact over time. <p>The company and impact scorecard are then validated and approved by Schroders’ Impact Assessment Group (IAG), in order for the company to be eligible for inclusion in the Fund’s investible universe. The IAG consists of members from Schroders’ impact and sustainable investment teams and members of the investment team. There may be some limited instances where step 2 and the IAG approval may follow subsequently (such as a particularly time sensitive investment).</p> <p>In order for an investment to be eligible for inclusion it must first go through a process of validation by the Impact Assessment Group (IAG). The IAG consists of members from Schroders’ sustainable investments team and portfolio managers from the Emerging Markets team. This review process will use a framework consisting of the following key questions:</p> <ul style="list-style-type: none"> — What positive contribution does the company make to society, which of the UN SDGs does this relate to and what is the level of materiality? — Do any of the activities of the company create significant negative externalities to society? — What is the level of commitment by management to manage the business sustainably? — Does the company treat employees, customers and suppliers fairly?

	<p>Does the company respect the environment?</p> <p>The IAG will then decide whether a company is eligible for inclusion in the Fund's portfolio.</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>The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is 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 emerging and frontier markets companies or companies which derive a significant proportion of their revenues or profits from emerging markets or frontier markets countries.</p>
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ISIN codes of the share classes impacted by this change:

Share class	Share class currency	ISIN Code
A Accumulation	USD	LU2347500113
B Accumulation	USD	LU2347500204
C Accumulation	USD	LU2347500386
E Accumulation	USD	LU2347500469
I Accumulation	USD	LU2347500543
IZ Accumulation	USD	LU2347500626
B Accumulation	EUR	LU2347500899
C Accumulation	EUR	LU2347500972
E Accumulation	EUR	LU2347501194
I Accumulation	EUR	LU2347501277
C Accumulation	GBP	LU2369845750
E Accumulation	GBP	LU2369845834