

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.

10 February 2023

Dear Shareholder,

Merger of Schroder International Selection Fund — European Large Cap into Schroder International Selection Fund — European Sustainable Equity

We are writing to advise you of a merger between Schroder International Selection Fund — European Large Cap (the “**Merging Fund**”) and Schroder International Selection Fund — European Sustainable Equity (the “**Receiving Fund**”) (the “**Merger**”) on **19 April 2023** (the “**Effective Date**”). 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.

The Merging Fund is no longer allowed to be marketed to the public in Hong Kong, and subscriptions and switches from new investors into the Merging Fund will not be accepted with effect from the date of this notice.

A. Background and rationale

The Merging Fund and the Receiving Fund have a similar investment approach and, given the higher sustainability hurdle of the Receiving Fund as described below, we believe that shareholders in the Merging Fund will benefit from a merger with the Receiving Fund.

The rationale for the Merger is to utilize this opportunity to grow the Receiving Fund. The direction of travel of Schroder's fund ranges has been firmly towards sustainability in recent years. Although 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, the Receiving Fund invests at least two-thirds of its assets in equity and equity related securities of European companies which meet the investment manager's sustainability criteria and at least 20% of the Receiving Fund's potential investment universe is excluded from the selection of investments as a result of the application of its sustainability criteria, which encourages a higher sustainability hurdle than the Merging Fund and this better aligns with Schroder's sustainability strategy. The net asset value of the Merging Fund was approximately

EUR 152 million as of 13 December 2022 while the net asset value of the Receiving Fund was approximately EUR 71 million as of the same date.

Although the Receiving Fund does not have a commitment to maintain carbon exposure below that of the MSCI Europe (Net TR) index (as in the case of the Merging Fund), it is committed to maintain a higher overall sustainability score than the MSCI Europe (Net TR) index. We believe that the inclusion of a higher sustainability hurdle as described above is beneficial for the shareholders in the Merging Fund who chose to be invested in the Receiving Fund after the Merger.

We believe it is in the interest of both shareholders of the Merging Fund and the Receiving Fund to merge the Merging Fund into the Receiving Fund. In addition, we believe that the larger combined assets under management of the Merging Fund and the Receiving Fund will offer potential economies of scale, which is conditional on the potential post-merger fund size of the Receiving Fund getting larger, to both sets of shareholders. This decision 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 Hong Kong offering documents of the Company (comprising the Prospectus, Hong Kong Covering Document and product key facts statements ("**KFS**")).

B. Comparison between the Merging Fund and the Receiving Fund

Both the Merging Fund and the Receiving Fund are managed by the same investment manager and team, using broadly the same investment process.

Investment objectives and policies

The investment objectives of both the Merging Fund and the Receiving Fund include the provision of capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period. Both the Merging Fund and the Receiving Fund share the same target benchmark (i.e. MSCI Europe (Net TR) index). The Merging Fund states in its investment policy that at least two-thirds of its assets are invested in equity and equity related securities of large-sized European companies, and that its investment universe is expected to overlap materially with the components of the target benchmark. The Receiving Fund does not state the market capitalisation of its holdings in its investment objective nor its investment policy, and it states that its investment universe is expected to overlap to a limited extent with the components of the target benchmark. As a result, the Receiving Fund will be subject to the additional risk of smaller companies risk. However, the Merging Fund and the Receiving Fund share similar investment styles as they both adopt blend style where neither growth nor value characteristics predominate their investments and they tend to invest across the spectrum of European industries. This is evidenced by the categorisation of both the Merging Fund and the Receiving Fund within the Morningstar Europe Large Cap Blend Equity Category.

There is a difference between the Merging Fund and the Receiving Fund regarding the use of derivatives. Both the Merging Fund and the Receiving Fund may use derivatives for the purposes of reducing risk or managing the respective fund more efficiently, but the Receiving Fund may also use derivatives for the purpose of achieving investment gains. However, the net derivatives exposure for both the Merging Fund and the Receiving Fund may be up to 50% of the respective fund's net asset value.

Both the Merging Fund and the Receiving Fund apply governance and sustainability criteria when selecting investments as described in their respective “Sustainability Criteria” sections in the Appendix to this notice. The Merging Fund maintains a carbon exposure below that of the MSCI Europe (Net TR) index and maintains a higher overall sustainability score than the MSCI Europe (Net TR) index, based on the investment manager’s rating system. The Receiving Fund maintains a higher overall sustainability score than the MSCI Europe (Net TR) index, based on the investment manager’s rating system.

Risk profiles

The risk profiles of the Merging Fund and the Receiving Fund and the key risks applicable to the Merging Fund and the Receiving Fund are similar, except that the Receiving Fund is also subject to key risks such as smaller companies risk, risks relating to sustainable investment approach, and risks relating to hedging and the hedged classes. The Receiving Fund is also subject to higher risks related to the use of derivatives as it also uses derivatives for the purpose of achieving investment gains.

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

Share classes and annual investment management fee changes

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 under section “Existing and New Share Class Mapping” in the Appendix to this notice.

The table below summarises the annual investment management charges (the “AMC”) and ongoing charges¹ (the “OCF”) for the share classes of the Merging Fund and the Receiving Fund. Shareholders in the Merging Fund will be charged the same or lower AMC as a result of the Merger. Shareholders in the A1 share class will receive a 25bps management fee reduction from 1.50% to 1.25%, whilst Shareholders in the A share class will pay the same AMC, following the Merger. Please note that the actual post-merger OCF in the corresponding share classes in the Receiving Fund may be higher than the estimated OCF disclosed below, depending on the post-merger fund size of the Receiving Fund.

Merging Fund Share Class	AMC	OCF ¹	Receiving Fund Share Class	AMC	OCF
A EUR Acc	1.25%	1.59%	A EUR Acc	1.25%	1.59% ¹
A EUR Dis AV	1.25%	1.59%	A EUR Dis AV ²	1.25%	1.59% ³
A USD Acc	1.25%	1.59%	A USD Acc ²	1.25%	1.59% ³

¹ The OCF is based on the expenses for the year ended 31 December 2021. This figure may vary from year to year.

² This share class has not been set up as of the date of this notice and will be launched prior to the Effective Date to facilitate the Merger.

³ This share class has not been set up as of the date of this notice. As this share class will be newly set up prior to the Effective Date, the OCF is an estimate only. This figure is estimated based on the OCF of Class A EUR Acc of the Receiving Fund. The net asset value of the Receiving Fund, which is a key determining factor of the OCF of any share class of a fund, was EUR 71 million as of 13 December 2022. The actual figure may be different from this estimated figure and may vary from year to year.

A GBP Dis AV	1.25%	1.59%	A GBP Dis AV²	1.25%	1.59% ³
A1 EUR Acc	1.50%	2.34%	A1 EUR Acc	1.25%	2.10% ⁴

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 5:00 p.m. (Hong Kong time) on a Hong Kong business day. Orders that reach Schroder Investment Management (Hong Kong) Limited (the "**Representative**"), no later than the cut-off time will be forwarded to the Transfer Agent in Luxembourg on that day. For orders that are sent through by an investment adviser or other distributor, shareholders should note that such investment adviser or distributor may have an earlier cut-off time. 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 to this notice.

C. Terms of the Merger

Investment Manager

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

Costs and expenses of the Merger

The Merging Fund has no unamortised preliminary expenses or outstanding set-up costs. The expenses incurred in the Merger (other than the market-related transaction costs described below), including the legal, audit, administrative and regulatory charges, will be borne by the Company's management company, Schroder Investment Management (Europe) S.A. (the "**Management Company**").

Disposal of non-common holdings

Prior to the Merger, the Merging Fund will dispose of any assets that are not in line with the Receiving Fund's investment portfolio (i.e. investments held by the Merging Fund but not the Receiving Fund) (the "**non-common holdings**").

From 13 April 2023, the non-common holdings held by the Merging Fund which is estimated to be approximately 19% of the net asset value of the Merging Fund, will be disposed. The proceeds from the disposal of the non-common holdings will be transferred to the Receiving Fund in cash on the Effective Date, and it is expected that the net asset value per share of the Receiving Fund as of the Effective Date will be adjusted upwards, for the purpose of calculating the exchange ratio of the Merger, by means of a dilution adjustment to account for the market-related

⁴ The OCF is estimated (because the share class is recently launched) based on the annualized expenses of another share class of the fund over a 12-month period. The actual ongoing charges figure of the relevant share class may be different from the estimate and may vary from year to year.

transaction costs of acquiring investments by the Receiving Fund using the cash transferred from the Merging Fund.

The market-related transaction costs associated with the disposal of the non-common holdings, expected to be up to 0.1% of the net asset value of the Merging Fund, will be borne by the remaining shareholders of the Merging Fund at the time such disposal is made. It is not expected that such transaction costs will be significant or have a material impact on the shareholders of the Merging Fund.

Shareholders should note that as a result of such disposal, the portfolio of the Merging Fund may not be able to comply with the investment objective and policy of the Merging Fund as disclosed in the Hong Kong offering documents after the commencement of the disposal period and prior to the Effective Date.

Investments other than the non-common holdings held by the Merging Fund are retained by the Merging Fund and will be transferred to the Receiving Fund in-specie on the Effective Date.

In order to account for the market-related transaction costs associated with redemption or switch orders received during the period leading up to the Merger (i.e. before the dealing cut-off as set out below), the Merging Fund's net asset value per share ("**NAV**") will be adjusted down each time there is a net outflow from the Merging Fund by means of a dilution adjustment in accordance with the Hong Kong offering documents. In the event that there are net inflows to the Merging Fund during this period, the NAV per share will be adjusted upwards. The intention of the adjustment in relation to the Merging Fund is to protect existing and continuing shareholders in the Merging Fund from bearing any market-related transaction costs and to apportion these costs appropriately. However, we do not expect that such transaction costs will be significant and they will not have a material impact on the shareholders of the Receiving Fund or the Merging Fund.

Further information relating to dilution adjustments is available in section 2.4 "Calculation of Net Asset Value" of the Prospectus. The Hong Kong offering documents (including the Prospectus) is available at www.schroders.com.hk⁵.

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 NAV of the relevant class of the Merging Fund and the NAV or initial issue price of the relevant class of the Receiving Fund, adjusted for any market-related transaction cost in relation to dilution adjustment, as of the Effective Date. This will be calculated in accordance with the provisions of the Prospectus.

While the overall value of the Merging Fund shareholders' holdings will remain the same, shareholders of the Merging Fund 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 NAV per share of the Merging Fund and will be accounted

⁵ This website has not been reviewed by the SFC.

for after the Merger in the NAV 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 on the Effective Date, 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 to this notice.

The first dealing date for your shares in the Receiving Fund will be the **20 April 2023**, the related dealing cut-off for this dealing day being 5:00 p.m. Hong Kong 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 sub-fund of the Company authorised by the Securities and Futures Commission ("**SFC**")⁶ at any time up to and including the dealing cut-off at 5:00 p.m. (Hong Kong time) on **12 April 2023**. After the dealing cut-off time that day, redemptions and switches from the Merging Fund will not be accepted.

Your redemption or switch instructions will be executed in accordance with the provisions of the Company's Hong Kong offering documents, free of charge, although in some countries local paying agents, correspondent banks or similar agents might charge transaction fees. Local intermediaries might also have a local dealing cut-off which is earlier than that described above, so please check with them to ensure that your instructions reach the Representative in Hong Kong before the dealing cut-off at 5:00 p.m. (Hong Kong time) on **12 April 2023**. Subscriptions or switches into the Merging Fund from new investors will not be accepted from **10 February 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 (including regular saving plans and similar facilities) until the dealing cut-off at 5:00 p.m. Hong Kong time on **29 March 2023**.

Tax status

The Merger and the subsequent termination of the Merging Fund should have no Hong Kong profits tax implications to the Merging Fund or the Receiving Fund. Shareholder of the Merging Fund should note that the exchange of shares in the Merging Fund for shares in the Receiving Fund pursuant to the Merger may be considered as a disposal of shares in the Merging Fund for tax purposes and any gains derived may be subject to tax. Generally, shareholders should not be liable to Hong Kong profits tax on gains realised on the disposal of shares, except where the acquisition and disposal of shares are or form part of a trade, profession or business carried on by the shareholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the shareholders. Shareholders should take advice from their own professional advisors as to their particular tax position.

⁶ SFC authorisation is not a recommendation or endorsement of a fund nor does it guarantee the commercial merits of the fund or its performance.

Further information

We advise you to read the current Hong Kong offering documents (including the KFS of the Receiving Fund) together with any latest notices issued in relation to the Merging Fund and the Receiving Fund, which are available free of charge at www.schroders.com.hk⁷ or upon request from the Representative. The articles of association of the Company and other material contracts and documents of the Company are available for inspection at the Representative's registered office, located at Level 33, Two Pacific Place, 88 Queensway, Hong Kong, during normal business hours.

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 have any questions or would like more information, please contact your usual professional advisor or the Representative at its registered office or calling the Schroders Investor Hotline on (+852) 2869 6968.

Yours faithfully,

The Board of Directors

⁷ This website has not been reviewed by the SFC.

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 current Hong Kong offering documents (including the KFS of the Merging Fund and the Receiving Fund) together with any latest notices issued in relation to the Merging Fund and the Receiving Fund.

	Merging Fund Schroder International Selection Fund — European Large Cap	Receiving Fund Schroder International Selection Fund — European Sustainable Equity
Objectives and investment strategy	<p>Investment Objective</p> <p>The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period^{Note} by investing in equity and equity related securities of European large-sized companies.</p> <p>^{Note} For clarification purpose, this means to exceed a medium to long term return of the stated index after fees have been deducted. The three to five year period is considered as a medium to long term period, and is the period over which an investor should assess the Fund's performance.</p>	<p>Investment Objective</p> <p>The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period^{Note} by investing in equity and equity related securities of European companies which meet the Investment Manager's sustainability criteria.</p> <p>^{Note} For clarification purpose, this means to exceed a medium to long term return of the stated index after fees have been deducted. The three to five year period is considered as a medium to long term period, and is the period over which an investor should assess the Fund's performance.</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 large-sized European companies. These are companies which, at the time of purchase, are considered to be in the top 80% by market capitalisation of the European equities market.</p> <p>The Fund is not subject to any limitation on the portion of its net</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 European companies which meet the investment manager's sustainability criteria.</p> <p>The Fund maintains a higher overall sustainability score than MSCI Europe (Net TR) index, based on the Investment</p>

	<p>asset value that may be invested in any country in the European Economic Area or sector.</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 of the Prospectus).</p> <p>Under exceptional circumstances (e.g. market crash or major crisis), the fund may be invested temporarily up to 100% of its net asset value in liquid assets such as bank deposits, certificates of deposit, commercial paper and treasury bills for cash flow management.</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently. Derivatives can be used for instance to create market exposures through equity, currency, volatility or index related financial derivative instruments and include over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps, forward contracts and/or a combination of the above.</p> <p>The Fund maintains a carbon exposure below that of the MSCI Europe (Net TR) index, and maintains a higher overall sustainability score than the MSCI Europe (Net TR) index, based on the Investment Manager's rating system. More details on the investment process used to</p>	<p>Manager's sustainability rating system. More details on the investment process used to achieve this can be found in the "Sustainability Criteria" section below.</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. This universe is comprised of equity and equity related securities of European companies.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers which generate revenue above the respective limits as prescribed by the Investment Manager from time to time, including but not limited to from tobacco and controversial weapons. The respective limits and exclusion list may be updated from time to time. For further information, including the list of all excluded activities, please refer to the Fund's webpage⁸.</p> <p>The Fund invests in companies that have good governance practices, as determined by the Investment Manager's sustainability rating criteria (please see the "Sustainability Criteria" section below 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</p>
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⁸ Accessed via <https://www.schroders.com/en/hk/retail-investors/funds/fund-centre/> (this website has not been reviewed by the SFC).

	<p>achieve this can be found in the Fund Characteristics section of the Fund Details, as set out in Appendix III of the Prospectus.</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>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/disclosures⁹.</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 of the Prospectus).</p> <p>The Fund is not subject to any limitation on the portion of its net asset value that may be invested in any country in Europe or sector.</p> <p>The Fund is not subject to any limitation on the market capitalisation of the companies that it may invest in.</p> <p>Under exceptional circumstances (e.g. market crash or major crisis), the Fund may be invested temporarily up to 100% of its net asset value in liquid assets such as bank deposits, certificates of deposit, commercial paper and treasury bills for cash flow management.</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p>
	<p>Benchmark</p>	<p>Benchmark</p>

⁹ 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>The Fund's performance should be assessed against its target benchmark being to exceed the MSCI Europe (Net TR) index, and compared against the Morningstar Europe Large Cap Blend Equity Category. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and 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. 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 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 comparison for performance purposes given the Fund's investment objective and policy.</p>	<p>The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI Europe (Net TR) index and compared against the Morningstar Europe Large Cap Blend 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 determine 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 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 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 comparison for performance purposes given the Fund's investment objective and policy.</p>
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	<p>Sustainability Criteria</p> <p>The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.</p> <p>Companies in the investment universe are subject to analysis related to their individual total scope 1 & 2 carbon emissions. The sources of information used to perform the analysis include Schrodgers' proprietary sustainability tools and third-party data.</p> <p>Companies in the investment universe are assessed on their governance, environmental and social profile, across a range of factors. This analysis is supported by quantitative analysis gained from Schrodgers in-house ESG data tools. The Investment Manager assesses a company's environment and social impact, as well as governance practices, using proprietary sustainability tools. In addition, the Investment Manager also performs its own research and analysis before deciding whether a company is eligible for inclusion in the Fund, based on its overall sustainability profile. Proprietary tools will be key inputs to measure how companies in the portfolio are meeting the sustainability credentials outlined above.</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 Schrodgers' proprietary</p>	<p>Sustainability Criteria</p> <p>The Investment Manager applies 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 supported by quantitative analysis gained from Schrodgers' proprietary sustainability tools such as SustainEx and CONTEXT. The Investment Manager assesses a company's environment and social impact, as well as governance practices, using proprietary sustainability tools such as SustainEx and CONTEXT. In addition, the Investment Manager also performs its own research and analysis before deciding whether a company is eligible for inclusion in the Fund, based on its overall sustainability profile. Proprietary sustainability tools will be key inputs to measure how companies in the portfolio are meeting the sustainability credentials outlined above. The Fund invests in a concentrated portfolio of sustainable businesses that the team determine to be mis-priced relative to their long term potential. The investment team of the investment manager combine their experience and industry specific knowledge to assess management quality, governance structure and the environment impact of companies. Schrodgers' proprietary sustainability tools aid the investment team to integrate a model that assesses the relationships with key stakeholders, including regulators, customers, suppliers,</p>
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	<p>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/disclosures¹⁰.</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>	<p>employees, and local communities. The materiality of such factors differs by industry. However, Schroders' process allows the Fund to rank companies against industry peers based on their behaviours towards key stakeholders. The Fund also measure in absolute terms the extent of a company's unrealised net impact on society from its activities. The portfolio is constructed to ensure diversification across style and market capitalisation, whilst delivering a superior aggregate sustainability profile relative to benchmark, as determined by SustainEx.</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 such as SustainEx and CONTEXT and third-party data.</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>
Investment Manager	Schroder Investment Management Limited	Schroder Investment Management Limited

¹⁰ 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).

Net Derivative Exposure	The Fund's net derivative exposure may be up to 50% of the fund's net asset value.	The Fund's net derivative exposure may be up to 50% of the fund's net asset value.
Key risks	<ol style="list-style-type: none"> 1. Equity investment risk 2. Risk of investment in Europe 3. Derivatives 4. Concentrated geographical locations 5. Risks relating to distributions 6. Currency risks 	<ol style="list-style-type: none"> 1. General investment risk 2. Equity investment risk 3. Risks relating to sustainable investment approach 4. Risk of investment in Europe 5. Concentrated geographical locations 6. Smaller companies risk 7. Derivatives 8. Risks relating to distributions 9. Currency risks 10. Risks relating to hedging and the hedged classes
Profile of the Typical Investor	The Fund may be suitable for Investors who are seeking long term growth potential offered through investment in equities.	The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.
Fund Category	Mainstream Equity Fund	Specialist Equity Fund
Fund Currency	EUR	EUR
Launch Date	4 December 1995	12 December 2018
Net Asset Value (at 13 December 2022)	EUR 152m	EUR 71m
Dealing Cut-off Time and Settlement Periods for Subscriptions and Redemptions	<p>Applications sent to the Representative must be received by it no later than 5:00 p.m. (Hong Kong time) on a Hong Kong business day if they are to be forwarded to the Transfer Agent in Luxembourg on that day.</p> <p>The settlement periods for subscription and redemption are within three business days following a dealing day.</p>	<p>Applications sent to the Representative must be received by it no later than 5:00 p.m. (Hong Kong time) on a Hong Kong business day if they are to be forwarded to the Transfer Agent in Luxembourg on that day.</p> <p>The settlement periods for subscription and redemption are within three business days following a dealing day.</p>
Risk Management Method	Commitment	Commitment
Initial Charge	Class A: up to 5.00% of the total subscription amount	Class A: up to 5.00% of the total subscription amount

	Class A1: up to 4.00% of the total subscription amount	Class A1: up to 4.00% of the total subscription amount
Annual Distribution Charge by share class	Class A: none Class A1: 0.50% per annum	Class A: none Class A1: 0.50% per annum
Annual Management Charge by share class	Class A: 1.25% per annum Class A1: 1.50% per annum	Class A: 1.25% per annum Class A1: 1.25% per annum
Ongoing Charges by share class	Class A EUR Acc: 1.59% ¹¹ Class A EUR Dis AV : 1.59% ¹¹ Class A USD Acc: 1.59% ¹¹ Class A GBP Dis AV : 1.59% ¹¹ Class A1 EUR Acc: 2.34% ¹¹	Class A EUR Acc: 1.59% ¹¹ Class A EUR Dis AV ¹² : 1.59% ¹³ Class A USD Acc ¹² : 1.59% ¹³ Class A GBP Dis AV ¹² : 1.59% ¹³ Class A1 EUR Acc: 2.10% ¹⁴
Performance fee	Nil	Nil
Dividend policy	A and A1 Accumulation share classes – Dividend will not be distributed but will be reinvested into the fund. A and A1 Distribution share classes – The board of directors generally has discretion as to whether or not to make any distribution. The distribution frequency and attributes are indicated in the share class designation as follows: M =	A and A1 Accumulation share classes – Dividend will not be distributed but will be reinvested into the fund. A and A1 Distribution share classes – The board of directors generally has discretion as to whether or not to make any distribution. This distribution frequency and attributes are indicated in the share class designation as follows: M =

¹¹ The OCF is based on the expenses for the year ended 31 December 2021. This figure may vary from year to year.

¹² This share class has not been set up as at the date of this notice and will be launched prior to the Effective Date to facilitate the Merger.

¹³ This share class has not been set up as of the date of this notice. As this share class will be newly set up prior to the Effective Date, the OCF is an estimate only. This figure is estimated based on the OCF of Class A EUR Acc of the Receiving Fund. The net asset value of the Receiving Fund, which is a key determining factor of the OCF of any share class of a fund, was EUR 71 million as of 13 December 2022. The actual figure may be different from this estimated figure and may vary from year to year.

¹⁴ The OCF is estimated (because the share class is recently launched) based on the annualized expenses of another share class of the fund over a 12-month period. The actual ongoing charges figure of the relevant share class may be different from the estimate and may vary from year to year.

	<p>monthly, Q = quarterly, S = semi-annual, A = annual</p> <p>Distributions may be paid out of capital and reduce the Merging Fund's net asset value.</p>	<p>monthly, Q = quarterly, S = semi-annual, A = annual</p> <p>Distributions may be paid out of capital and reduce the Receiving Fund's net asset value.</p>
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Existing and New Share Class Mapping

Merging Fund - Schroder International Selection Fund - European Large Cap	Receiving Fund - Schroder International Selection Fund - European Sustainable Equity
Existing Share Class Held	New Share Class to be Held
A EUR Accumulation	A EUR Accumulation
A EUR Distribution AV	A EUR Distribution AV ¹²
A USD Accumulation	A USD Accumulation ¹²
A GBP Distribution AV	A GBP Distribution AV ¹²
A1 EUR Accumulation	A1 EUR Accumulation