Schroder International Selection Fund
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IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice. Schroder Investment Management (Europe) S.A., as the Management Company to Schroder International Selection Fund, accepts full responsibility for the accuracy of the information contained in this letter and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

10 February 2023

Dear Shareholder,

Schroder International Selection Fund (the "Company") — European Sustainable Equity

We are writing to advise you that the above fund in which you are invested is due to receive assets from another fund through a merger. This merger is not expected to have any impact on your investment. The size of the merging fund is two times larger than the fund in which you are invested as at 13 December 2022. We have provided full details of this merger below.

On the 19 April 2023 (the "Effective Date"), Schroder International Selection Fund — European Large Cap (the "Merging Fund") will merge into Schroder International Selection Fund — European Sustainable Equity (the "Receiving Fund") (the "Merger"). Dealing in the Receiving Fund will not be interrupted by the Merger.

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 the Merger.

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.

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. 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.

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. The two funds 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 funds within the Morningstar Europe Large Cap Blend Equity Category. Both the Merging Fund and the Receiving Fund are managed by the same investment manager and team, using broadly the same investment process. Both the Merging Fund and the Receiving Fund may use derivatives for the purposes of reducing risk or managing the respective fund more efficiently, while the Receiving Fund may also use derivatives for the purposes of achieving investment gains.

We believe it is in the interest of both funds' shareholders to merge the Merging Fund into the Receiving Fund. This decision has been made in accordance with Article 5 of the articles of incorporation of 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.

Impact on the Receiving Fund's investment portfolio and performance

We do not foresee any material impact on the Receiving Fund's investment portfolio or performance as a result of the Merger. The Receiving Fund will continue to be managed in line with its investment objective and strategy after the Merger. 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-committal holdings") . The Receiving Fund's investment portfolio will not need to be rebalanced before or after the Merger.

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 associated with the disposal of the non-common holdings), 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"). The remaining shareholders of the Merging Fund will bear the market-related transaction costs associated with the disposal of any investments that are not in line with the Receiving Fund at the time such disposal is made. A dilution adjustment will be applied to the Receiving Fund's net asset value per share where applicable for the purpose of calculating the exchange ratio of the Merger to ensure that existing shareholders in the Receiving Fund do not bear the costs associated with the Merging Fund investing significant cash amounts.

Effective date and rights of shareholders

As a shareholder in the Receiving Fund you have the right to redeem your holding or switch it into the same share class of one or more of the Company's other sub-funds authorised by the

Securities and Futures Commission (the "SFC")[1] prior to the Merger. If you do not wish to continue to hold shares in the Receiving Fund you have the right to redeem your holding in the Receiving Fund or switch into another sub-fund of the Company authorised by the SFC at any time up to and including the dealing cut-off at 5:00 p.m. (Hong Kong time) on **18 April 2023**. 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, Schroder Investment Management (Hong Kong) Limited (the "Representative"), before the dealing cut-off at 5:00 p.m. (Hong Kong time) on **18 April 2023**. Redemption and / or switching of shares may affect the tax status of your investment, so we recommend you seek independent professional advice in these matters.

Treatment of accrued income

On the Effective Date, the net assets of the Merging Fund, including any accrued income, will be calculated in its final net asset value per share for each share class. Shareholders in the Merging Fund will be issued shares of an equal amount by value of shares of the corresponding class in the Receiving Fund at the net asset value per share calculated on that day or at the initial issue price for the corresponding share class. Any income accrued after the Effective Date will be accounted for on an on-going basis in the net asset value per share for each share class in the Receiving Fund. Any income accrued in the Receiving Fund prior to the Merger will not be affected.

Further information

We advise you to read the current Hong Kong offering documents (including the product key facts statement of the Receiving Fund) together with latest notices issued in relation to the Merging Fund and the Receiving Fund, which are available free of charge at www.schroders.com.hk[2] 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. Luxembourg law requires that an audit report is prepared by the Company's approved statutory auditor in relation to the Merger. This audit report 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, or have any questions about the Merger, 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

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

[2] This website has not been reviewed by the SFC