

**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 April 2024**

Dear Shareholder,

**Schroder International Selection Fund (the “Company”) – European Dividend Maximiser (the “Fund”)**

We are writing to advise you that the Fund’s investment policy and Article 8 pre-contractual disclosure in Appendix IV of the Company’s prospectus in accordance with Sustainable Finance Disclosure Regulation (SFDR) and Commission Delegated Regulation (EU) 2022/1288 have been updated to clarify how the Fund’s carbon commitment is monitored.

Full details of the changes are set out in the Appendix to this letter.

**Background and rationale**

The Fund is classified as Article 8 under the SFDR and implements its investment policy by focusing on income generating European companies. In implementing the investment policy, the Fund also aims to maintain a sustainability score higher than the MSCI Europe (Net TR) index and, prior to this clarification, a carbon exposure below that of the MSCI Europe (Net TR) index. We wish to provide greater clarity on the assessment of the carbon commitment by specifying that the Fund maintains a carbon intensity below that of the MSCI Europe (Net TR) index, rather than a carbon exposure, so the wording has been adjusted to reflect this. We have also clarified in the pre-contractual disclosure that the metric used to measure the carbon intensity is Weighted Average Carbon Intensity (WACI).

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 risk profile and fees, will remain the same.

The Hong Kong offering documents of the Company will be revised to reflect the changes / updates as set out above and other miscellaneous changes / updates and will be available free of

charge at [www.schroders.com.hk](http://www.schroders.com.hk)<sup>1</sup> or upon request from the Hong Kong Representative of the Company, Schroder Investment Management (Hong Kong) Limited.

### **Enquiries**

If you have any questions or would like more information, please contact your usual professional advisor or the Hong Kong Representative at Level 33, Two Pacific Place, 88 Queensway, Hong Kong or calling the Schroders Investor Hotline on (+852) 2869 6968.

Yours faithfully,

**The Board of Directors**

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<sup>1</sup> This website has not been reviewed by the SFC.

**Appendix**

Deletions are shown as crossed out text and additions are shown as underlined text.

<b>Current Investment Policy</b>	<b>New Investment Policy</b>
<p>The Fund is actively managed and invests at least two thirds of its assets in equities or equity related securities of European companies, which are selected for their income and capital growth potential. To enhance the yield of the Fund, the Investment Manager selectively sells short dated call options over individual securities held by the Fund, generating extra income by agreeing strike prices above which potential capital growth is sold.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p>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 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-Related Disclosure" on the Fund's webpage <a href="https://www.schroders.com/en-lu/lu/individual/fund-centre&lt;sup&gt;2&lt;/sup&gt;">https://www.schroders.com/en-lu/lu/individual/fund-centre<sup>2</sup></a>.</p>	<p>The Fund is actively managed and invests at least two thirds of its assets in equities or equity related securities of European companies, which are selected for their income and capital growth potential. To enhance the yield of the Fund, the Investment Manager selectively sells short dated call options over individual securities held by the Fund, generating extra income by agreeing strike prices above which potential capital growth is sold.</p> <p>The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p>The Fund <u>maintains a higher overall sustainability score than the MSCI Europe (Net TR) index, based on the Investment Manager's rating system.</u> It also maintains a carbon <u>exposure intensity</u> below that of the MSCI Europe (Net TR) index. <del>and maintains a higher overall sustainability score than the MSCI Europe (Net TR) index, based on the Investment Manager's rating system.</del> 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 <u>-Related Disclosure</u>" on the Fund's webpage <a href="https://www.schroders.com/en-lu/lu/individual/fund-centre&lt;sup&gt;3&lt;/sup&gt;">https://www.schroders.com/en-lu/lu/individual/fund-centre<sup>3</sup></a>.</p>

<sup>2</sup> This website has not been reviewed by the SFC.

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