

**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.**

**30 June 2021**

Dear Shareholder,

### **Schroder International Selection Fund (the "Company") – Global Target Return (the "Fund")**

We are writing to advise you that the target benchmark of the Fund, as disclosed in the the Hong Kong offering documents of the Fund (comprising the Prospectus, Hong Kong Covering Document and Product Key Facts Statement of the Fund) will be changed with effect from 30 July 2021.

The target benchmark will be changed from 3-month USD LIBOR +5% to ICE BofA 3 Month US Treasury Bill Index +5%. This means the performance target of the Fund will be as follows:

Fund	Old performance target	New performance target
Global Target Return	3-month USD LIBOR +5% per annum before fees have been deducted over rolling three year periods	ICE BofA 3 Month US Treasury Bill Index +5% per annum before fees have been deducted over rolling three year periods

### **Rationale**

The Fund's old target benchmark included an "interbank offered rate" (an "IBOR"). These rates are intended to reflect the average cost to certain banks of borrowing or obtaining unsecured short-term funds in the interbank market. Following regulatory developments, the use of such rates as benchmarks is being phased out.

ICE BofA 3 Month US Treasury Bill Index is selected as a replacement of the IBOR as: i) it matches the tenor of the old "IBOR", ii) it is produced by an established vendor, Intercontinental Exchange (ICE), iii) treasury bills have a robust and lengthy track record in the market; and iv) treasury bills represent widely-available financial instruments and investable assets in their own right and thus provide a suitable replacement benchmark for replicating the performance of cash. We believe that in this instance the ICE BofA 3 Month US Treasury Bill Index is an appropriate replacement.

Please see below the historical performance of 3-month USD LIBOR and ICE BofA 3 Month US Treasury Bill Index for your information.

	April 2018 - March 2019	April 2019 - March 2020	April 2020 - March 2021
3-month USD LIBOR	2.53%	2.09%	0.32%
ICE BofA 3 Month US Treasury Bill Index	2.12%	2.25%	0.12%

The performance information of the new target benchmark, ICE BofA 3 Month US Treasury Bill Index +5% will be disclosed in the "How has the fund performed" section of the Fund's Product Key Facts Statement and will be available at [www.schroders.com.hk](http://www.schroders.com.hk)<sup>1</sup>. The performance information of ICE BofA 3 Month US Treasury Bill Index will also be available at [www.schroders.com.hk](http://www.schroders.com.hk)<sup>1</sup> for your reference.

All other key features of the Fund, including the fees chargeable in respect of the Fund and the risk profile of the Fund, will remain the same. There is no change in the Fund's investment style, investment philosophy, investment strategy, the operation and/or manner in which the Fund is being managed following this change. The change does not materially prejudice the rights or interests of existing Shareholders.

The Hong Kong offering documents of the Company (comprising the Prospectus, Hong Kong Covering Document and Product Key Facts Statements) will be revised in due course to reflect the above amendments. The Hong Kong offering documents are 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 (the "Representative") at Level 33, Two Pacific Place, 88 Queensway, Hong Kong.

We hope that you will choose to remain invested in the Fund following these changes, but if you wish to redeem your holding in the Fund or to switch into another of the Company's sub-funds authorized by the Securities and Futures Commission ("SFC")<sup>2</sup>, you may do so at any time up to and including the deal cut-off at 5:00 p.m. Hong Kong time on 29 July 2021. We will execute your redemption or switch instructions in accordance with the provisions of the Company's prospectus, free of charge, although in some countries local paying agents, correspondent banks or similar agents might charge transaction fees. Local agents might 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 the Representative in Hong Kong before the deal cut-off at 5:00 p.m. Hong Kong time on 29 July 2021.

Any expenses incurred directly as a result of making this change will be borne by Schroder Investment Management (Europe) S.A., the Company's management company.

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

<sup>2</sup>SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

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

Yours faithfully,

A handwritten signature in black ink, consisting of two large, rounded loops followed by a horizontal line extending to the right.

**Cecilia Vernerson**  
Authorised Signatory

A handwritten signature in black ink, featuring a complex, stylized initial 'N' followed by several loops and a long horizontal tail.

**Nirosha Jayawardana**  
Authorised Signatory