

**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.**

**3 September 2021**

## **Schroder International Selection Fund – Sustainable Finance Disclosure Regulation (“SFDR”)**

Dear Shareholder,

We are writing to advise you that the investment objectives and policies of the following funds of Schroder International Selection Fund (the “Company”) (each a “Fund” and collectively the “Funds”) have been updated in order to comply with new requirements imposed by the SFDR:

- Euro Corporate Bond
- Euro Equity
- European Dividend Maximiser
- European Large Cap
- Global Climate Change Equity
- Global Credit Income
- Global Sustainable Growth
- Japanese Equity
- QEP Global Quality

The SFDR rules require that sustainable funds are classified under one of two new categories:

Article 8 – funds which have binding environmental and/or social characteristics

Article 9 – funds which have the objective of sustainable investment

The Appendix to this letter shows the updated investment objective and policy wording in respect of the Funds which are Article 8 funds under the SFDR rules.

The changes are intended to clarify the way in which the Funds are currently managed. All other key features of the Funds will remain the same.

There is no change in the Funds’ investment style, investment philosophy, investment strategy, and the operation and/or manner in which the Funds are being managed following these clarifications.

For the avoidance of doubt, only Global Climate Change Equity and Global Sustainable Growth are currently classified as environmental, social and governance (“**ESG**”) funds in Hong Kong. Funds other than Global Climate Change Equity and Global Sustainable Growth are not currently classified and will not be classified as ESG funds in Hong Kong following the updates to investment objectives and policies of these Funds.

The prospectus of the Company will be revised to further indicate that where a Fund’s investment policy states that the Fund will achieve a certain sustainability score (whether overall, or in relation to a particular measure such as carbon intensity) compared to a named benchmark, this does not mean that the Fund is constrained by, or seeks to achieve a financial return relative to that benchmark unless otherwise stated. Any benchmark named in this context should not be treated as a reference benchmark for the Fund.

For any Fund that has environmental or social characteristics, details of how the Fund attains those characteristics will be disclosed in the relevant Fund Details section of the prospectus, in the Fund’s investment policy and under a new section “Sustainability Criteria” in the Fund Characteristics section, as further disclosed in the Appendix.

For funds other than the Article 8 and Article 9 funds under the SFDR rules, references to the consideration of material environmental, social and governance factors have been removed from the investment policies of the relevant funds of the Company for consistency with the requirements of the SFDR as they fall under the scope of Article 6 of the SFDR. Instead, a more detailed explanation will be added to the prospectus to explain how we take sustainability risks into account in the management of all funds. Please note that we in any case take environmental, social or governance criteria (alongside other factors) into consideration in the overall risk management process. The funds of the Company that fall under the scope of Article 6 of SFDR and for which references to material environmental, social and governance factors have been removed from their investment policies are set out below:

- BRIC (Brazil, Russia, India, China)
- Emerging Europe
- Emerging Markets
- European Value
- Frontier Markets Equity
- Global Dividend Maximiser
- Global Emerging Market Opportunities
- Global Equity
- Global Equity Alpha
- Global Equity Yield
- Latin American
- Middle East
- QEP Global Active Value
- US Large Cap

The Hong Kong offering documents of the Company will be revised to reflect the changes above.

Costs of making these changes including regulatory and shareholder communication costs will be borne by Schroder Investment Management (Europe) S.A..

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

Yours faithfully,

The Board of Directors