Schroder International Selection Fund
Société d'Investissement à Capital Variable
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Dear Shareholder,

Schroder International Selection Fund — European Alpha Absolute Return

We are writing to advise you that the above sub-fund in which you are invested is due to receive assets from another sub-fund through a merger. This merger is not expected to have any impact on your investment. We have provided full details of this merger below.

On **27 September 2023** (the "Effective Date"), Schroder International Selection Fund — Sustainable European Market Neutral (the "Merging Fund") will merge into Schroder International Selection Fund — European Alpha Absolute Return (the "Receiving Fund"). Dealing in the Receiving Fund will not be interrupted by the merger.

The decision to merge the sub-funds was taken by the board of directors of Schroder International Selection Fund (respectively the "Board" and the "Company").

As the Merging Fund and Receiving Fund have a similar investment approach and risk profile, and both sub-funds have a relatively small fund size, we believe that shareholders in both funds will benefit from this Merger. The Merging Fund had approximately EUR 24.4 million under management as of 1st May 2023, while the Receiving Fund had approximately EUR 51.4 million under management as of the same date.

A merger into the Receiving Fund offers investors of the Merging Fund an alternative sub-fund with a broadly similar investment approach. Both the Merging Fund and the Receiving Fund focus on providing a positive return after fees have been deducted by investing in equity and equity related securities of European companies. The Merging Fund takes into account sustainability criteria when selecting its investments, as described in the prospectus of the Company (the "Prospectus") while the Receiving Fun measures sustainability against the overall portfolio. Both the Merging Fund and the Receiving Fund may use derivatives for the purposes of achieving investment gains, hedging risks and efficient portfolio management.

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

The decision to merge the Merging Fund into the Receiving Fund is in accordance with Article 5 of the articles of incorporation of the Company (the "Articles") and the provisions of the Prospectus and is in the interest of both funds' shareholders.

Impact on the Receiving Fund's investment portfolio and performance and fee reduction

The Receiving Fund will continue to be managed in line with its investment objective and strategy after the merger. All assets in the Merging Fund will be transferred to the Receiving Fund on the Effective Date. Subsequently to this, the Receiving Fund's investment portfolio will purchase additional exposure. This purchase of additional exposure by the Receiving Fund is expected to represent 20% of its net asset value on long positions and 20% of its net asset value on index futures short positions. The costs related to this purchase will be borne by the Receiving Fund and are expected to represent approximatively 0.05-0.1 bps of the net asset value of the Receiving Fund.

Shareholders in the A, A1, B share classes of the Receiving Fund will receive a 25bps management fee reduction (from 1.50% to 1.25%) following the Merger. The Receiving Fund currently has slightly lower on-going charges (the OGC), and we believe that the combined assets under management of the Merging Fund and the Receiving Fund will offer potential economies of scale to both sets of investors in the future. The OGC of the A, A1 and B share classes of the Receiving Fund will reduce on the Effective Date when the management fee reduction is effective.

Expenses and costs of the merger

The expenses incurred in the merger, including the legal, audit and regulatory charges, will be borne by the Company's management company, Schroder Investment Management (Europe) S.A. (the “Management Company”).

Effective date and rights of shareholders

The merger will be implemented on the Effective Date (as defined above). 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 prior to the merger. If you do not wish to continue to hold shares in the Receiving Fund you may at any time up to and including the deal cut-off at 1:00 p.m. Luxembourg time on **27 September 2023** send your instructions to redeem or switch your shares for execution prior to the merger. HSBC Continental Europe, Luxembourg (“HSBC”) will carry out your instructions free of charge in accordance with the provisions of the Prospectus. Please note that some distributors, paying agents, correspondent banks or similar agents may charge you transaction fees. Please also note that they might have a local deal cut-off which is earlier than the Receiving Fund's cut-off time in Luxembourg, and we recommend that you check with them to ensure that your instructions reach HSBC before the deal cut-off given above.

Redemption and / or switching of shares may affect the tax status of your investment. We therefore recommend you to seek independent professional advice in these matters.

Exchange ratio and treatment of accrued income

On the Effective Date, the net assets and liabilities of the Merging Fund, including any accrued income, will be calculated in its final net asset value per share for each share class and shareholders in the Merging Fund will be issued shares of an equal amount by value of shares 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. Thereafter accrued income 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

The table below summarises the annual investment management charges (the "AMC”) and ongoing charges (the "OGC") for the share classes of the Merging Fund and the Receiving Fund. Shareholders in the A and B share classes will receive a 25bps management fee reduction from 1.50% to 1.25%, whilst shareholders in the other share classes will pay the same AMC following the Merger. We believe that the larger combined assets under management of the Merging Fund and the Receiving Fund will offer potential economies of scale to all investors.

Merging Fund Share Class	AMC (current)	OGC (current)	AMC (after the merger date)	OGC (after the merger date)
Class A EUR Acc	1.50%	1.91%	1.25%	1.66%
Class B EUR Acc	1.50%	2.41%	1.25%	2.16%
Class A USD Hedged Acc	1.50%	1.94%	1.25%	1.69%
Class B USD Hedged Acc	1.50%	2.44%	1.25%	2.19%

Luxembourg law requires that an audit report to be prepared by the Company's approved statutory auditor in relation to the merger. Such 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 local Schroders office, your usual professional adviser or the Management Company on (+352) 341 342 202.

Yours faithfully,

The Board of Directors