

## Notice to X9 and Y9 Shareholders of Schroder International Selection Fund Emerging Europe (the "Fund")

5 March 2024

### Notification of Fund distribution in respect of the disposal of Russian assets

Dear Shareholder,

Further to the notification issued on 4 July 2022 in relation to the reorganisation of the Fund for Russian assets, we are writing to inform you that there will be a distribution on 6 June 2024 to the X9 and Y9 share classes of the "**Fund**", of which you are a holder.

#### Background and rationale

As a result of the unprecedented geo-political situation caused by Russia's invasion of Ukraine, and the resultant impact of sanctions and the actions of governments and market counterparties on certain Russian issuers and assets, the directors of Company (the "**Board**") took the decision to suspend the calculation of net asset value ("**NAV**") per share and dealing of shares in the Fund from 13.00, Central European Time (19:00 Singapore time) on 25 February 2022.

This situation, combined with sanctions and the partial closure of the Russian Stock Exchange and the resultant inability of market participants to trade and achieve settlement reliably in Russian equities, had prevented the Fund from being able to value and dispose of those assets (the "**Russian Assets**").

Following an assessment of the options for re-opening the Fund for subscriptions and redemptions, in the best interests of its shareholders while maintaining fair treatment for all shareholders, the Board communicated its decision to shareholders in the Fund on 4 July 2022 to reorganise the assets of the Fund by splitting the Fund in order to create new share classes to which the Russian Assets were to be allocated (the "**X9 and Y9 Classes**").

As a result of this reorganisation the suspension of calculation of the NAV and dealing in shares of the Fund was lifted with effect from 18 July 2022 to enable the Fund to continue to be managed in accordance with its investment objective and policy. The X9 and Y9 Classes were launched on 18 July 2022 and each shareholder was allocated a number of shares in the X9 and Y9 Classes that reflected their percentage holding in the Fund's total NAV as at 25 February 2022. This enabled shareholders to benefit from the ongoing performance of the Fund's non-Russian Assets whilst retaining (through the X9 and Y9 Classes) an interest in the Russian Assets should their value return in the future.

## **Disposal of Russian Assets**

While foreign access to the Russian Stock Exchange remains restricted, over the past year there has been some limited over-the-counter activities in a number of Russian offshore securities.

In accordance with the applicable sanctions regulations and considering the best interest of the shareholders of the Fund, the investment manager has been able to dispose of some of the Russian Assets held by the X9 and Y9 Classes. This has resulted in sales proceeds of approximately 57 million Euros.

## **Distribution**

As outlined in the notification of 4 July 2022, we committed to return any value realised to shareholders over time. As a result of the disposals noted above, an initial distribution of €56.50 per share held will be paid on 6 June 2024.

As previously communicated, this distribution will be paid to investors in the same currency as their original interest held in the Fund. Shareholder's preferred distribution payment currency will also be considered. The distribution notice attached to this letter outlines the expected payment currency, along with the existing payment details on your account. If these details are incorrect, please contact your local Schroders office, your usual professional advisor, or Schroder Investment Management (Singapore) Ltd at +65 6534 4288.

## **Future of the X9 and Y9 Classes**

As there are a number of Russian Assets still held by the X9 and Y9 Classes, they will continue to be held for the benefit of the shareholders in these classes. They will be valued according to the valuation principles set out in the Prospectus and Schroders' valuation policy. As at the date of this letter, the Russian Assets are valued at zero. The Management Company, Schroder Investment Management (Europe) S.A. ("**SIM EU**"), together with the Board, have responsibility for continuing to monitor the appropriateness of the valuation based on the prevailing market indicators.

As previously advised, as and when possible, we will realise the Russian Assets at the best available realisable price (and so return any related value to shareholders in the X9 and Y9 Classes) at our discretion acting in the best interests of the shareholders. The frequency and size of those distributions is subject to the future disposal of the Russian Assets, which cannot be predicted with any certainty. Any future distributions will be notified in the same manner as this distribution.

## **Tax**

Schroders do not provide tax advice and so investors should always take their own advice from their professional advisors as to their particular tax position.

## **Further Information**

Information relating to the Fund, including previous notifications and the indicative NAV of the X9 and Y9 Classes will continue to be made available on our website at:

<https://www.schroders.com/en-sg/sg/individual/funds-and-strategies/investor-notices/>

Any important information regarding the X9 and Y9 Classes and the realisation of the Russian Assets will also be notified to the holders of shares in the X9 and Y9 Classes. We will provide periodic updates to investors and will keep investors informed of any material developments relating to the Fund.

If you have any questions or would like more information about Schroders' products, please visit [www.schroders.com.sg](http://www.schroders.com.sg) or contact your local Schroders office, your usual professional advisor, or Schroders' Investor Hotline at +65 6534 4288.

Your faithfully,

**Schroder Investment Management (Singapore) Ltd**

This is a computer-generated letter and requires no signature.

## Appendix – Frequently Asked Questions

### What are the details of the X9 and Y9 Classes created on 18 July 2022?

<b>Designation</b>	X9	Y9
<b>Eligible holders</b>	Institutional	Non-Institutional
<b>Distribution Frequency</b>	Accumulation	Accumulation
<b>Currency</b>	EUR	EUR
<b>Hedging Status</b>	Unhedged	Unhedged
<b>ISIN</b>	LU2473380983	LU2473381015
<b>SEDOL</b>	BMH3YV4	BMH3YW5
<b>CUSIP</b>	BSDB7EV32	BSDB7EVF5
<b>Distribution Rate</b>	€56.50	€56.50

### What is the expected timeline for the distribution?

5 March 2024	Notification of Distribution of Russian Assets
30 May 2024	Notification of Final Distribution
6 June 2024	Effective Date (pay date)

An estimated distribution notification is attached to this letter with the details of your expected distribution. A final distribution notification will be made available 5 days prior to the effective date (pay date). The distribution rate will not change, however as transfers may occur the final distribution on the account will be confirmed.

### Who will receive the distribution?

Since the X9 and Y9 Classes were established, we are aware that shareholders may have transferred their holding and therefore the registered shareholder on the account as of 30 May 2024 will be the recipient of the distribution. Any transfers received after 30 May 2024, but before 6 June 2024 will be processed, but will not be considered for the distribution payment.

### What happens if I need to transfer my shares in the X9 and Y9 Classes during this period to 6 June 2024?

Transfers of shares are permitted. However, payments will be made based on the shareholder records as of 30 May 2024.

### What currency and bank account will I receive the distribution in?

The distribution will be paid in the currency and to the bank details that is held for the shareholders by the transfer agent, which is specified on the distribution notification attached. If you wish to make changes to either of these, please contact your local Schroders office, your professional advisor, or Schroders' Investor Hotline at +65 6534 4288.

### Will there be any charges in respect of this distribution?

Any charges incurred in respect of this distribution will be covered by Schroders.

**How will this distribution impact the indicative NAV?**

The indicative NAV will decrease as most of the value realised by the sale of the Russian Assets will be distributed to shareholders. A residual amount will be left in the X9 and Y9 Classes to pay any ongoing fees.

**What will happen to the X9 and Y9 Classes following this distribution?**

The X9 and Y9 Classes will continue to remain in place solely to hold the Russian Assets and as before it will not be possible to subscribe, switch or redeem shares in these classes.

**Why is the full value of the X9 and Y9 Classes not being distributed?**

The remaining Russian Assets are currently valued at zero due to the applicable sanctions and the partial closure of the Russian Stock Exchange. Both SIM EU and the Board, as well as the investment manager of the Fund, will continue to review and monitor any future opportunities to realise the remaining Russian Assets.

**When will I receive another distribution?**

Any value in the Russian Assets may be returned in tranches or all at the same time as and when liquidity is available.

**Are any further sales of Russian Assets held by the X9 and Y9 Classes foreseen in the near future?**

We will decide when and how to realise the Russian Assets, acting in the best interest of shareholders and at the best available realisable price to the extent possible.

**Will I be able to view this distribution as part of my monthly statement on Investor Insights?**

The distribution advice will be available on Investor Insight as part of the monthly statement process.