

Schroder International Selection Fund
Société d'Investissement à Capital Variable
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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.

28 July 2020

Dear Shareholder,

Schroder International Selection Fund (the "Company") – Global Corporate Bond (the "Fund")

Internal Indirect Delegation Arrangements

The board of directors of the Company would like to inform you about a regulatory non-compliance incident. For a number of years, Schroder Investment Management North America Inc. as the investment manager of the Fund (the "Investment Manager") has, at its own expense, sub-delegated a certain proportion of the assets of the Fund (the "Indirect Delegation") to Schroder Investment Management Limited (the "Sub-Investment Manager") without notifying shareholders of the Fund or obtaining the Securities and Futures Commission ("SFC")'s prior approval. We confirm that there was no negative impact on the Fund and no losses to shareholders of the Fund as a result of the Indirect Delegation and that the interests of Hong Kong investors have not been prejudiced.

Due to inadvertent oversight in internal procedures, we have not obtained the SFC's prior approval of the Indirect Delegation, nor informed shareholders of the Fund of the Indirect Delegation before it took effect, nor has the Indirect Delegation been disclosed in the Hong Kong offering documents of the Company, resulting in non-compliance with 11.1(b), 11.1A and C3(c) of Appendix C to the Code on Unit Trusts and Mutual Funds. Please refer to the Appendix for the effective date of the Indirect Delegation.

We have now obtained the approval of the SFC to the Indirect Delegation, and the Hong Kong offering documents of the Company comprising the Prospectus, Hong Kong Covering Document and Product Key Facts Statements will accordingly be updated as soon as possible to reflect the Indirect Delegation. The revised Hong Kong offering documents are available free of charge at www.schroders.com.hk¹ 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 apologise for the delay in notifying you of the Indirect Delegation. You are not required to take any action regarding the arrangements described in this letter. We hope that you will choose to remain invested in the Fund, but if you wish to redeem or switch your holding in the Fund you may do so as detailed in the section headed "Available Options" below.

¹ This website has not been reviewed by the SFC.

Rationale for the Indirect Delegation

The Schroder Group is a global asset management group with local presence in a significant number of jurisdictions. As a multinational group, we leverage resources and expertise (including investment management expertise) from our various offices around the world where we consider this to be in the best interests of investors. The Investment Manager has allocated the investment management of certain asset classes or strategies to specialist investment teams located in the Sub-Investment Manager in order to access their expertise and experience in such strategies in the best interests of investors in the Fund.

Impact of the Indirect Delegation

We confirm that:

- (a) the Fund is managed by the Investment Manager which has been approved by the SFC and disclosed in the Hong Kong offering documents of the Company;
- (b) the Sub-Investment Manager had already been approved by the SFC to act as an investment manager for, and is currently managing, other SFC-authorized funds of the Company directly;
- (c) the Investment Manager and the Sub-Investment Manager are wholly owned subsidiaries of the Schroders Group and so are subject to the Schroder Group's control standards and policies, including, for example, with respect to investment risk and trading activities;
- (d) the Fund has been managed and is continuing to be managed in accordance with its investment objectives, policies and restrictions as disclosed in the Hong Kong offering documents of the Company; and
- (e) there are no additional fees and expenses charged to the Fund in relation to the Indirect Delegation.

There will not be any changes to the operation and/or manner in which the Fund is being managed, and there will be no change to the investment objective, policies and restrictions of the Fund or to the risks applicable to the Fund. The level of management fee payable by the Fund will remain unchanged.

On this basis, we confirm that there was no negative impact on the Fund and no losses to shareholders of the Fund as a result of the Indirect Delegation and that the interests of Hong Kong investors have not been prejudiced.

We have enhanced our internal control procedures to require timely communication of any proposed indirect delegation arrangements going forward so that we can seek the SFC's prior approval where required before such arrangements are put in place. We are further investigating the matter and this includes appointing independent external auditors to conduct an independent review of all SFC-authorized sub-funds² of the Company for compliance with the relevant requirements of the Code on Unit Trusts and Mutual Funds.

Available Options

You are not required to take any action in respect of the matters described in this letter. We hope that you will choose to remain invested in the Fund, 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 SFC², you may do so at any time. We will execute your redemption or switch instructions in accordance with the provisions of the Hong Kong offering documents of the Company. If you submit your redemption or switching request any time before 5:00 p.m.

² 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.

Hong Kong time on 28 August 2020, we will execute such redemption or switching requests 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 28 August 2020.

Costs

Costs related to the Indirect Delegation, including regulatory and shareholder communication costs and costs of updating the Hong Kong offering documents, will be borne by Schroder Investment Management (Europe) S.A. which is the Company's management company.

Enquiries

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

Yours faithfully,



Chris Burkhardt
Authorised Signatory



Nirosha Jayawardana
Authorised Signatory

Appendix

Fund	Investment Manager	Sub-Investment Manager(s)	Effective date of Indirect Delegation³	SFC authorisation date of the Fund
Global Corporate Bond	Schroder Investment Management North America Inc.	Schroder Investment Management Limited	30 September 2011	30 September 1998

³ The Effective Date refers to the date when the Investment Manager authorised the Sub-Investment Manager to manage the relevant proportion of assets of the Fund, but it is not necessarily the date when the Sub-Investment Manager started to manage these assets, hence the Effective Date may be earlier than such date.