

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.

2 June 2022

Dear Shareholder,

Schroder International Selection Fund

We are writing to inform you of the following changes or updates in the Hong Kong offering documents of the Company and its sub-funds ("**Funds**") dated April 2022, comprising the Prospectus and Hong Kong Covering Document of the Company and the Product Key Facts Statements of the Funds ("**Hong Kong Offering Documents**").

Any terms not defined in this letter shall have the same meaning as in the Prospectus.

I. Change of investment policies of Asian Equity Yield, Asian Opportunities and Asian Total Return

The investment policies of the Asian Equity Yield, Asian Opportunities and Asian Total Return have been updated to provide that each Fund may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through the Renminbi Qualified Foreign Institutional Investor scheme (now known as the Qualified Foreign Investor scheme) and Regulated Markets, in addition to Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.

II. Addition of comparator benchmark of Asian Dividend Maximiser

A new comparator benchmark, i.e. MSCI AC Pacific ex Japan High Dividend Yield (Net TR) index, has been added for Asian Dividend Maximiser so that the Fund's performance is compared against the MSCI AC Pacific ex Japan (Net TR) index and the MSCI AC Pacific ex Japan High Dividend Yield (Net TR) index.

III. Change of comparator benchmark of Global Climate Change Equity

The comparator benchmark of Global Climate Change Equity has changed from "MSCI World (Net TR) index" to "MSCI All Country World (Net TR) index".

IV. Enhancement / clarification to the investment policies of the Funds

The investment policies of certain Funds have been enhanced or clarified. Please refer to the Appendix for details of the amendments.

V. Miscellaneous updates / changes

Additional changes have also been made to the Hong Kong Offering Documents, including the following:

- (a) enhancement of disclosures relating to the performance fees. For the avoidance of doubt, there is no change in the rate of the performance fees of the relevant Share Classes offered in Hong Kong and the manner in which the performance fees are calculated;
- (b) clarification of investment limits to provide that a Fund will not hold more than 5% of its assets in transferable securities traded on the China Interbank Bond Market (“**CIBM**”) (including via Bond Connect) or any other Chinese Regulated Market or in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect unless disclosed in its investment objective and investment policy;
- (c) clarification of the Company’s market timing and frequent trading policy to reflect existing practice. There is no change to the valuation policy of the Company;
- (d) enhancement of disclosure on compulsory redemption to reflect the Directors’ power under the Consolidated Articles of Incorporation of the Company to compulsorily redeem or convert any holding with a value of less than the minimum holding amount. For the avoidance of doubt, there is no change to the existing compulsory redemption policy;
- (e) enhancement of disclosure on the Company’s liquidity risk management framework. There is no change to the existing liquidity risk management policy and tools;
- (f) enhancement of disclosure on the Company’s sustainability risk management policy;
- (g) enhancement and addition of certain risk factors under Appendix II of the Prospectus; and
- (h) other miscellaneous updates, changes and editorial amendments.

Save as disclosed above, the Company confirms that in relation to the amendments or changes set out above:

- there are no changes to how the Funds are managed;
- the investment style, investment philosophy and risk profile of the Funds remain the same; and
- the fees chargeable in respect of the Funds as stated in the Hong Kong Offering Documents remain the same.

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.

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

Yours faithfully,

The Board of Directors

¹ This website has not been reviewed by the SFC.

Appendix

1. EURO Corporate Bond – Simplification of investment policy

The investment policy of EURO Corporate Bond has been simplified by removing the disclosure regarding the Fund's investment in derivatives to create long and short exposure to the underlying assets of these derivatives. For avoidance of doubt, there is no change to the use of derivatives of the Fund.

2. EURO Corporate Bond – Clarification of investment objective and target benchmark

The target benchmark of EURO Corporate Bond has been clarified from ICE BofA Merrill Lynch Euro Corporate Index to ICE Bank of America Merrill Lynch Euro Corporate index, and the investment objective of the Fund has been clarified accordingly. For the avoidance of doubt, there is no change to the target benchmark of the Fund.

3. European Dividend Maximiser and European Large Cap – Enhancement of disclosure relating to investment policy

The investment policies of European Dividend Maximiser and European Large Cap have been enhanced to provide that each Fund maintains a carbon exposure below that of the MSCI Europe (Net TR), and maintains a higher overall sustainability score than MSCI Europe (Net TR) index, based on the Investment Manager's rating system.

4. Global Sustainable Growth – Enhancement of disclosure relating to investment policy

The investment policy of Global Sustainable Growth has been enhanced to provide that the Fund typically holds fewer than 50 companies.

5. Hong Kong Dollar Bond – Clarification of investment policy

The investment policy of Hong Kong Dollar Bond has been clarified to provide that the Fund may invest in mainland China through the Renminbi Qualified Foreign Institutional Investor ("RQFII") scheme (now known as the Qualified Foreign Investor scheme) or regulated markets (including the CIBM via Bond Connect).

6. QEP Global Quality – Clarification of investment policy

The investment policy of QEP Global Quality has been clarified to provide that the Fund assesses the "Quality" characteristics of companies by looking at indicators such as a company's growth, in addition to a company's profitability, stability, financial strength and governance.

7. US Large Cap – Clarification of investment objective and target benchmark

The target benchmark of US Large Cap has been clarified from Standard & Poors 500 (Net TR) Lagged index to Standard & Poor's 500 (Net TR) Lagged index, and the investment objective has been clarified accordingly. For the avoidance of doubt, there is no change to the target benchmark of the Fund.