

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.

14 December 2020

Dear Shareholder,

Schroder International Selection Fund – Global Energy (the “Fund”)

The board of directors of Schroder International Selection Fund (the "Company") has decided to change the investment objective and policy, and the benchmark of the Fund with effect from 18 January 2021 (the "Effective Date").

Investment Objective and Policy and Benchmark Change

Pursuant to its investment objective, the Fund has always invested in the energy sector. In the past the energy sector has included small, medium sized and large companies and so the Fund previously chose a target benchmark (MSCI World Energy (net TR) index) with a similar broad range of component stocks. Recently however the energy sector has become more dominated by a few larger companies whose performance has tended to correlate more to the wider global equity market. In addition, the sharp decline in share prices across the energy sector has meant that a significant proportion of companies in the sector have become small to medium sized. Consequently, when looking for growth opportunities the investment manager has tended to look more at small and medium sized companies. To reflect this shift in the focus of the energy sector we have decided to change the Fund's target benchmark to MSCI World SMID Energy index whose components focus on small to medium sized stocks. There will be no significant changes to the Fund's positioning as a result of this change. The shift in the focus of the Fund to small and medium sized companies in the energy sector may expose the Fund to increased smaller companies risk. Please refer to the risk factor disclosed below for details.

Please note that the Fund's performance should be assessed against its new target benchmark being to exceed the MSCI World SMID Energy index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The investment manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The investment manager will invest in companies or sectors not included in the benchmark in order to take advantage of specific investment opportunities. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The investment objective and policy of the Fund, which are contained in the Company's prospectus, will change from:

“Investment Objective

The Fund aims to provide capital growth in excess of the MSCI World Energy (net TR) index after fees have been deducted over a three to five year period ^{Note} by investing in equity and equity related securities of companies in the energy sector.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equities of companies in the energy sector. The Fund typically holds fewer than 50 companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.”

To:

“Investment Objective

The Fund aims to provide capital growth in excess of the MSCI World SMID Energy index after fees have been deducted over a three to five year period ^{Note} by investing in equity and equity related securities of companies in the energy sector.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equities of small and mid-sized companies in the energy sector. These are companies which, at the time of purchase, are considered to be in the bottom 80% by market capitalisation of the energy sector. The Fund typically holds fewer than 50 companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.”

^{Note} For clarification purposes, this means to exceed a medium to long term return of the stated index after fees have been deducted. The three to five year period is considered as a medium to long term period.

Smaller companies risk

The Fund invests in smaller companies may fluctuate in value more than other funds and may be more vulnerable to adverse developments than those in larger companies. During periods where markets are falling, securities of smaller companies may become less liquid and experience short-term price volatility and wide spreads between dealing prices.

All other key features of the Fund including the fees chargeable and the risk profile in respect of the Fund will remain the same. Save for the changes as mentioned above, there is no change in the operation and/or

manner in which the Fund is being managed. These changes do not materially prejudice the rights or interests of existing Shareholders.

The Hong Kong offering documents of the Company (comprising the Prospectus, Hong Kong Covering Document and Product Key Facts Statements) will be revised in due course to reflect the above changes. The 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 hope that you will choose to remain invested in the Fund following these changes, but if you do wish to redeem your holding in the Fund or to switch into another of the Company's sub-funds authorized by the Securities and Futures Commission ("SFC")² before the changes become effective you may do so at any time up to and including deal cut-off at 5:00 p.m. Hong Kong time on 15 January 2021. Please ensure that your redemption or switch instruction reaches the Representative in Hong Kong before this deadline.

We will execute your redemption or switch instructions in accordance with the provisions of the Company's prospectus, 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 15 January 2021.

Costs of making these changes including regulatory and shareholder communication costs will be borne by Schroder Investment Management (Europe) S.A. which is the Company's management company.

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,



Cecilia Vernerson
Authorised Signatory



Nirosha Jayawardana
Authorised Signatory

¹ This website has not been reviewed by the SFC.

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.