

18 August 2023

Dear Shareholder,

Schroder International Selection Fund (the "Company") – Short Duration Dynamic Bond (the "Fund")

We are writing to advise you that with effect from 21 September 2023 (the "Effective Date") the following changes will apply to the Fund:

- The name will change;
- The investment objective and policy will change and the Fund will incorporate binding environmental and/or social characteristic(s), within the meaning of Article 8 of the SFDR;
- A new target benchmark will be adopted;
- The comparator benchmark will no longer apply;
- The expected level of leverage will change; and
- The annual management fees will be reduced

Background and Rationale

The Fund's new strategy will focus on global government bonds with sustainability as a key driver. We believe this will provide investors with a solid base for bond investing and has the potential to offer consistent returns. Full details of the changes being made can be viewed in the appendix to this letter.

The extent of the change to the risk/reward profile of the Funds as a result of these changes is non-significant.

There are no other changes to the Fund's investment style, investment philosophy, investment strategy, and the operation and/or manner in which the Fund is being managed following these changes.

All other key features of the Fund, including the relevant risk indicator and fees, will remain the same.

Redeeming or switching your shares to another Schroders fund

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 before the Effective Date you may do so at any time up to and including deal cut-off on 20 September 2023. Please ensure that your redemption or switch instruction reaches HSBC Continental Europe, Luxembourg ("HSBC") before this deadline. HSBC 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 HSBC before the deal cut-off given above.

You can find the Fund's updated key information document (the KID) for the relevant share class and the Company's Prospectus at www.schroders.lu.

If you have any questions or would like more information about Schroders' products please visit www.schroders.com or contact your local Schroders office, your usual professional adviser, or Schroder Investment Management (Europe) S.A. on (+352) 341 342 202.

Yours faithfully,

The Board of Directors

Appendix

Name Change

From the Effective Date the Fund's name will change from:

Schroder International Selection Fund Short Duration Dynamic Bond

To:

Schroder International Selection Fund Sustainable Global Sovereign Bond

Investment Objective and Policy Change

New wording is shown in bold. Removed wording is shown as strikethrough text.

Current Investment Objective and Policy	New Investment Objective and Policy
<p>Investment Objective</p> <p>The Fund aims to provide an absolute return after fees have been deducted by investing in fixed and floating rate securities. Absolute return means the Fund seeks to provide a positive return over a 12-month period in all market conditions, but this cannot be guaranteed and your capital is at risk.</p>	<p>Investment Objective</p> <p>The Fund aims to provide capital growth and income in excess of the Bloomberg Global Treasury EUR hedged index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities issued by governments, government agencies and supra-nationals worldwide which meet the Investment Manager's sustainability criteria.</p>
<p>Investment Policy</p> <p>The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities in various currencies issued by governments, government agencies, supra-nationals and companies worldwide.</p> <p>The Fund invests in derivatives to take long or short exposures to credit markets, interest rates, foreign exchange, volatility and to various sectors within these markets. The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p>The Fund may invest:</p> <ul style="list-style-type: none"> - up to 50% of its assets in non-investment grade instruments (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies); 	<p>Investment Policy</p> <p>The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's; or any equivalent grade of other credit rating agencies for rated bonds and implied Schrodors ratings for non-rated bonds) issued by governments, government agencies and supra-nationals worldwide in various currencies. The Fund does not invest in securities issued by corporates.</p> <p>The Fund maintains a higher overall sustainability score than the Bloomberg Global Treasury EUR hedged index based on the Investment Manager's rating criteria. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on</p>

<ul style="list-style-type: none"> - up to 40% of its assets in asset-backed securities and mortgage-backed securities; and - up to 10% of its assets in contingent convertible bonds. <p>The Fund may invest in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).</p> <p>The Fund may invest in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.</p> <p>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 (subject to the restrictions provided in Appendix I).</p>	<p>the Fund's webpage, accessed via www.schroders.com/en/lu/private-investor/gfc.</p> <p>The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).</p> <p>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage www.schroders.com/en/lu/private-investor/strategiccapabilities/sustainability/disclosures.</p> <p>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 may also hold cash (subject to the restrictions provided in Appendix I).</p> <p>The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p>
<p>Benchmark</p> <p>The Fund's performance should be assessed against its objective of providing a positive return over a 12-month period in all market conditions and compared against the Euro Short Term Rate. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets.</p> <p>The target benchmark has been selected because the target return of the Fund is to deliver the return of that benchmark as stated in the investment objective. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.</p>	<p>Benchmark</p> <p>The Fund's performance should be assessed against its target benchmark of Bloomberg Global Treasury EUR hedged index and compared against the Euro Short Term Rate. 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 target 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.</p>

	<p>The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.</p>
<p>Sustainability Risk Consideration N/A</p>	<p>Sustainability Risk Consideration</p> <p>The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.</p>
<p>Sustainability Criteria N/A</p>	<p>Sustainability Criteria</p> <p>The Investment Manager applies sustainability criteria when selecting investments for the Fund.</p> <p>Sustainability factors are assessed – across both sovereign markets and asset allocation decisions – in tandem with macroeconomic factors throughout the Investment Manager’s top-down thematic investment process.</p> <p>In assessing sustainability factors for sovereign issuers, the Investment Manager considers that countries with stable and non-corrupt governments are likely to be more willing and able to service their debts, while political considerations, including the impact of social and governance factors, can influence a country’s inflation and currency profile and thus have a material impact on the real value of debt. Environmental impacts – which can be more pertinent over a longer-term horizon – are also incorporated. The Investment Manager’s approach includes the use of Schroders’ proprietary sustainability tools to rank countries by measuring their performance against multiple sustainability related indicators.</p> <p>For sovereign bonds, only those sovereign issuers whose activities and behaviours are independently measured as being in line with the UN Sustainable Development Goals are included, while countries making insufficient progress are not eligible for inclusion in the universe. To further support the objective of allocating capital only to issuers that can demonstrate behaviour in line with the UN</p>

	<p>SDGs, countries are also judged on other core criteria relating to the level of political and civil liberty afforded to their citizens and to their commitments to addressing climate and environmental issues. Exceptions to the criteria may be permitted through allocation to sovereign green, social and sustainability bonds from sovereigns that would otherwise be excluded.</p> <p>The selection of green, social and sustainable bonds entails assessing the overall sustainability of the issuer, analysing the use of proceeds and the expected impact on the bond's objectives. A green bond is a fixed or floating rate security that finances an environmental objective. A social bond is a fixed or floating rate security that finances a social objective. A sustainable bond is a fixed or floating rate security that finances both environmental and social objectives.</p> <p>Building on the foundation of the defined sustainable universe, the Investment Manager applies a top-down thematic investment process to allocate capital and risk to selected investment opportunities from the sovereign, government agencies and supra-nationals.</p> <p>The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.</p> <p>The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, the portfolio exhibits a higher overall sustainability score than its investment universe after the bottom-rated 20% of stocks within the investment universe are excluded.</p>
<p>Current Expected Leverage</p> <p>500% of the total net assets. The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.</p>	<p>Revised Expected Leverage</p> <p>250% of the total net assets. The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.</p>
<p>Current Annual Management Fees</p> <p>A shares – 0.50% B shares – 0.50% C shares – 0.30% E shares – 0.25%</p>	<p>Revised Annual Management Fees</p> <p>A shares – 0.40% B shares – 0.40% C shares – 0.20% E shares – 0.125%</p>

IZ shares – up to 0.30%	IZ shares – up to 0.20%
Further Information The Fund is categorised as "Specialist Bond Fund".	Further Information The Fund is categorised as "Specialist Bond Fund". More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

ISIN codes of the Share Classes impacted by this change:

Share Class	Share Class Currency	ISIN Code
A Accumulation	EUR	LU0894413409
A Distribution	EUR	LU0912259727
B Accumulation	EUR	LU0912260063
B Distribution	EUR	LU0912260147
C Accumulation	EUR	LU0894413664
E Accumulation	EUR	LU0894413748
I Accumulation	EUR	LU0894413821
A Accumulation	USD Hedged	LU0894412930
C Accumulation	USD Hedged	LU0894413078
E Accumulation	USD Hedged	LU0894413235
I Accumulation	USD Hedged	LU0894413318
IZ Accumulation	USD Hedged	LU2016218369