

**Schroder International Selection Fund**  
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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.**

**12 November 2019**

Dear Shareholder,

### **Schroder International Selection Fund (the "Company") – Disclosure on derivatives exposure**

We are writing to advise you that, with effect from 13 December 2019 (the "Effective Date"), the disclosures in the Hong Kong offering document of the Company (comprising the Prospectus, Hong Kong Covering Document and Product Key Facts Statements) ("HKOD") regarding the derivatives exposures of the funds listed in the Appendix (the "Funds") will be revised.

The HKOD currently discloses that the Funds may use financial derivatives instruments ("FDI") extensively and their expected level of leverage arising from the use of FDI calculated based on commitment approach. With effect from the Effective Date, the HKOD will be revised to disclose that the expected maximum net derivative exposure of the Funds arising from the use of FDI may be up to 50% of the Funds' net asset value. The calculation of the "net derivative exposure" is based on the guidance set out in the "Guide on the Use of Financial Derivative Instruments for Unit Trusts and Mutual Funds" prepared by the Securities and Futures Commission.

For the avoidance of doubt, there is no change in the Funds' usage of derivatives. All key features of the Funds and their risk profile will remain the same. There is no change in the Funds' investment style, investment philosophy, investment strategy, and the operation and/or manner in which the Funds are managed following this revision.

If you have any questions or would like more information, please contact your usual professional advisor or Schroder Investment Management (Hong Kong) Limited 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

1. Schroder International Selection Fund – Asian Bond Total Return
2. Schroder International Selection Fund – Asian Dividend Maximiser<sup>#</sup>
3. Schroder International Selection Fund – EURO Corporate Bond
4. Schroder International Selection Fund – EURO Government Bond
5. Schroder International Selection Fund – EURO Short Term Bond
6. Schroder International Selection Fund – European Dividend Maximiser<sup>#</sup>
7. Schroder International Selection Fund – Global Corporate Bond
8. Schroder International Selection Fund – Global Dividend Maximiser<sup>#</sup>
9. Schroder International Selection Fund – Global High Yield
10. Schroder International Selection Fund – US Dollar Bond

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<sup>#</sup> The name “Dividend Maximiser” refers to the investment objective of the fund to enhance the fund dividend by generating extra income from selling covered call options on the underlying equity portfolio and this may reduce the potential capital growth and future income of the fund. It does not suggest that the manager would aim at seeking the highest possible dividends for the fund.