

**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. The directors of Schroder International Selection Fund accept full responsibility for the accuracy of the information contained in this letter and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement misleading.**

**29 September 2017**

Dear Shareholder,

## **Schroder International Selection Fund – Global Demographic Opportunities**

The board of directors of Schroder International Selection Fund (the "Company") has decided to change the name, investment policy and reduce the investment management fee of Schroder International Selection Fund – Global Demographic Opportunities (the "Fund") with effect from 2 November 2017 (the "Effective Date").

### **Name change**

The Fund's new name will be Schroder International Selection Fund – Global Sustainable Growth.

### **Investment Policy change**

The manager believes long term-returns are significantly influenced by structural themes such as demographic trends. The manager also contends that, in order to benefit from these themes, companies need to manage their businesses for the long term, respecting the interests of stakeholders, the natural environment, and society more broadly. A fundamental appraisal of a company's commitment to environmental, social and governance factors is the foundation for long-term value creation.

While many of these characteristics are evident in the Fund's existing strategy, sustainability factors will now be emphasised explicitly within the Fund. The manager believes that this change will provide greater scope to invest in companies capable of delivering long-term growth and value creation.

The Fund's investment objective and policy, which are contained in the Company's prospectus, are being changed from:

#### **"Investment objective**

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which the manager believes may benefit from the positive economic impact of demographic trends.

### **Investment Policy**

The Fund invests at least two-thirds of its assets in equity and equity related securities in of companies worldwide. As the Fund is index-unconstrained it is managed without reference to an index.

The manager believes that demographic trends, such as an ageing population and new consumer and industrial trends, have a dramatic impact on economic growth. The implications of this growth on corporate earnings and structural earnings growth are frequently over-looked or misunderstood by the market. It is our belief that a strategy based on demographic trends should deliver outperformance typically over a 3-5 year horizon.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may also invest in money market instruments and hold cash."

to:

### **"Investment objective**

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which meet the manager's sustainability criteria.

### **Investment Policy**

The Fund invests at least two-thirds of its assets in equity and equity related securities in of companies worldwide. As the Fund is index-unconstrained it is managed without reference to an index.

The manager believes that companies demonstrating positive sustainability characteristics, such as managing the business for the long-term, recognising its responsibilities to its customers, employees and suppliers, and respecting the environment, are better-placed to maintain their growth and returns over the long term. In addition, the manager believes that when aligned with other drivers of growth, this can result in stronger earnings growth which is often under appreciated by the market.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently. The Fund may also invest in money market instruments and hold cash."

"Other drivers of growth" as mentioned in the second paragraph of the revised investment policy refer to certain characteristics of companies (including but not limited to competitive advantage, brand strength and proprietary technologies) and/or structural investment themes (including but not limited to demographics, changing patterns of consumption, regulation and disruptive technologies) that contribute to the potential for stronger earnings growth.

### **Investment Management Fee Reduction**

We are pleased to inform you that the investment management fee of the fund will be reduced. The new fee rate is as follow:

<b>Share Classes</b>	<b>Old Management Fee</b>	<b>New Management Fee</b>
A Shares	1.50%	1.30%

All other key features of the Fund, including other fees chargeable in respect of the Fund and the risk profile of the Fund, will remain the same. Moreover, there will be no change to the additional information of the Fund as disclosed in the "Fund Details" section of the Hong Kong Covering Document of the Company.

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")<sup>1</sup> before the Effective Date you may do so at any time up to and including the deal cut-off at 5:00 p.m. Hong Kong time on 1 November 2017. 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 Schroder Investment Management (Hong Kong) Limited (the "Representative") in Hong Kong before the deal cut-off at 5:00 p.m. Hong Kong time on 1 November 2017.

Costs of making these changes including regulatory and shareholder communication costs will be borne by Schroder Investment Management (Luxembourg) 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,



**Cord Rodewald**  
Authorised Signatory



**Alastair Woodward**  
Authorised Signatory

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<sup>1</sup> 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.