

18 August 2023

Dear Shareholder,

Schroder International Selection Fund (the "Company") – Emerging Markets Debt Absolute Return (the "Fund")

We are writing to inform you that on 21 September 2023 (the "Effective Date") the name, investment objective and policy of the Fund will change and a new comparator benchmark will be adopted.

In addition, the Fund's commitment to invest a minimum proportion of 5% of its assets in sustainable investments will be removed.

Background and rationale

The Fund currently has an "Absolute Return" objective which means that it seeks to achieve a positive return in all market conditions over rolling 12 month periods. However, on review of the implementation of the policy we believe that the Fund's strategy and return profile is better suited to "Total Return" which means a combination of capital growth and income. Funds classified as Absolute Return typically make use of short positions, use leverage and employ market neutral strategies. The Fund does not employ these techniques or instruments. The Fund's core objective of investing in Emerging Markets Debt will not change.

The existing "Absolute Return" objective acted as a target benchmark for the Fund and the shift away from this means the Fund will no longer have a target benchmark. In order to allow a performance comparison a new comparator benchmark will be adopted from the Effective Date: the 50% JPM GBI-EM Diversified Index and 50% JPM EMBI Diversified Index.

The Fund is classified as Article 8 under the Sustainable Finance Disclosure Regulation and the overall portfolio is managed with a view to meeting various sustainability criteria, detailed in the investment policy and in the pre-contractual disclosures in the Company's prospectus. One of the criteria is a commitment to invest at least 5% of the Fund's assets in sustainable investments. Following further consideration, the investment manager believes that this requirement constrains the investment strategy of the Fund and therefore from the Effective Date this will reduce to zero. This means that while the Fund will continue to be managed according to its binding sustainability criteria, namely the requirement to maintain a higher overall sustainability score than a benchmark, there will no longer be a requirement for a minimum of 5% of the individual holdings to be sustainable investments.

Full details of the changes being made can be viewed in the Appendix to this letter.

The Fund's investment policy has also been updated to reflect that the Fund may invest up to 15% of its assets in mainland China through regulated markets (including the CIBM via Bond Connect or CIBM direct), and that where it will invest two thirds of its assets in fixed and floating rate securities, currencies and Money Market Investments in emerging markets, this represents the net assets of the Fund excluding cash in developed markets. .

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

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 Emerging Markets Debt Absolute Return

To:

Schroder International Selection Fund Emerging Markets Debt Total Return

Investment Objective and Policy Change

New Wording is show 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 of capital growth and income after fees have been deducted by investing in fixed and floating rate securities in emerging markets.</p> <p>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 after fees have been deducted by investing in fixed and floating rate securities issued by governments, government agencies, supra nationals and companies in emerging markets.</p> <p>The Fund is designed to participate in rising markets while aiming to mitigate losses in falling markets through the use of cash and derivatives. The mitigations of losses cannot be guaranteed.</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, currencies and Money Market Investments in emerging markets. The fixed and floating rate securities are issued by governments, government agencies, supra-nationals and companies. The Fund may also hold cash.</p> <p>In aiming to deliver an absolute return, the Fund may hold up to 40% of its assets in cash and Money Market Investments in developed markets.</p> <p>The Fund may invest in excess of 50% of its assets in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).</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, currencies and Money Market Investments in emerging markets. The fixed and floating rate securities are issued by governments, government agencies, supra-nationals and companies. The Fund may also hold cash.</p> <p>In exceptional circumstances during periods of high market volatility, the Fund may hold up to 40% of its assets in deposits and Money Market Investments in developed markets. In such instances, the two-thirds referenced above will be measured against the Fund's assets excluding deposits and Money Market Instruments in developed markets.</p> <p>The Fund may invest in excess of 50% of its assets in fixed and floating rate securities that have a</p>

<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 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 and warrants (subject to the restrictions provided in Appendix I).</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p>The Fund maintains a higher overall sustainability score than 50% JPM GBI-EM Diversified Index and 50% JPM EMBI Diversified 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 the Fund's webpage, accessed via https://www.schroders.com/en/lu/private-investor/gfc</p>	<p>below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).</p> <p>The Fund may invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).</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 and warrants (subject to the restrictions provided in Appendix I).</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p>The Fund maintains a higher overall sustainability score than 50% JPM GBI-EM Diversified Index and 50% JPM EMBI Diversified 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 the Fund's webpage, accessed via https://www.schroders.com/en/lu/private-investor/gfc</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.</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.</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>Benchmark</p> <p>The Fund does not have a target benchmark. The Fund's performance should be compared against 50% JPM GBI-EM Diversified Index and 50% JPM EMBI Diversified Index. The comparator is only included for performance comparison purposes and does not have any bearing on how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap materially with the components of the comparator 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 comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator.</p> <p>The comparator benchmark has been selected because the Investment Manager believes that</p>

	<p>the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.</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>
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ISIN codes of the Share Classes impacted by this change:

Share Class	Share Class Currency	ISIN Code
A Accumulation	USD	LU0106253197
A Distribution	USD	LU0080733339
A1 Accumulation	USD	LU0133705839
A1 Distribution	USD	LU0160363585
B Accumulation	USD	LU0106253270
B Distribution	USD	LU0080735201
C Accumulation	USD	LU0106253437
C Distribution	USD	LU0080735540
I Accumulation	USD	LU0134334290
I Distribution	USD	LU0339282898
IZ Accumulation	USD	LU1870390371
S Accumulation	USD	LU1034078268
S Distribution	USD	LU1034078342
A Accumulation	AUD Hedged	LU0491680806
A1 Distribution	AUD Hedged	LU0502009730
A Accumulation	CHF Hedged	LU0476445340
C Accumulation	CHF Hedged	LU0476445423
C Accumulation	EUR	LU0998387103
A Accumulation	EUR Hedged	LU0177592218
A Distribution	EUR Hedged	LU0499925211
A1 Accumulation	EUR Hedged	LU0186875935
A1 Distribution	EUR Hedged	LU0186876156
B Accumulation	EUR Hedged	LU0177222121
B Distribution	EUR Hedged	LU0587553891
C Accumulation	EUR Hedged	LU0177222394

C Distribution	EUR Hedged	LU0546251033
I Accumulation	EUR Hedged	LU0177222477
IZ Accumulation	EUR Hedged	LU1496798395
S Distribution	EUR Hedged	LU1056828913
Z Accumulation	EUR Hedged	LU0968426949
Z Distribution	EUR Hedged	LU0968427087
A Distribution	GBP Hedged	LU0218201050
C Distribution	GBP Hedged	LU0218201134
I Accumulation	GBP Hedged	LU0218201217
I Distribution	GBP Hedged	LU0531596210
S Accumulation	GBP Hedged	LU1060933857
S Distribution	GBP Hedged	LU1056829135
Z Distribution	GBP Hedged	LU0968426865
C Distribution	JPY Hedged	LU0697816758
A1 Accumulation	PLN Hedged	LU0455362383
C Accumulation	CNY Hedged	LU1785814143
A Accumulation	SEK Hedged	LU0665709241
C Accumulation	SEK Hedged	LU1725190323
A Distribution	SGD Hedged	LU0372678564