

18 May 2021

Dear Shareholder,

Schroder International Selection Fund – Flexible Retirement (the “Fund”)

We are writing to advise you that the name, investment objective and policy and investment manager of the Fund will change with effect from 21 June 2021 (the "Effective Date").

Rationale

The Fund's retirement-focused investment strategy currently focuses on mechanisms to control maximum volatility and drawdown. This can prevent the Fund from being able to take advantage of falls and subsequent upturns in asset prices. Repositioning the Fund will enable us to offer a lower-risk vehicle which can offer attractive rates compared to cash. In addition the Fund will focus explicitly on meeting sustainable criteria as part of its strategy. We believe these changes will make the Fund more appealing to investors.

In order to implement the new strategy, the Fund will change its risk measurement process to absolute value at risk and a new section will be added to the prospectus to reflect this.

As part of the changes we are making to the Fund, investment management of the Fund will be moved to the Schroder Investment Management Europe S.A. – German Branch.

Name Change

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

Investment Objective and Policy Change

The investment objective and policy of the Fund, which is contained in the Schroder International Selection Fund (the “Company”)’s prospectus, will change from:

“Investment Objective

The Fund aims to provide capital growth and income in line with 3 month EURIBOR (or an alternative reference rate) plus 2% per annum before fees have been deducted* over a three to five year period whilst also seeking to limit losses to a maximum of 8% of the value of the Fund, over any investment period. The Fund aims to provide this return with a volatility (a measure of how much the fund's returns vary over rolling 3 year periods) of 3-5% per annum. The Fund aims to achieve the objective by investing in a diversified range of assets and markets worldwide. The limitation of losses cannot be guaranteed.

*For the target return after fees for each Share Class please visit the Schroder website:
<https://www.schroders.com/en/lu/private-investor/investing-with-us/after-fees-performance-targets/>

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets directly or indirectly through derivatives in equity and equity-related securities, fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide and Alternative Asset Classes.

The Fund may invest in sub-investment grade fixed and floating rate securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.

The Fund may use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, total return swaps and contracts for difference may be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 40% and is expected to remain within the range of 0% to 15% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund may (exceptionally) hold up to 100% of its assets in cash and Money Market Investments. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR. The Fund may invest up to 10% of its assets in open-ended Investment Funds.”

To:

“Investment Objective

The Fund aims to provide capital growth and income of 3 month Euribor +2% per annum (before fees have been deducted) over a three to five year period. The Fund aims to provide this return with a volatility (a measure of how much the fund's returns vary over rolling 3 year periods) of 3-5% per annum. The Fund aims to achieve the objective by investing in a diversified range of assets and markets worldwide that meet the Investment Manager's sustainability criteria.

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The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend* of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), Thomson Reuters Global Convertible Bonds Index (hedged to EUR), based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.*The blend will evolve over time in line with the actual asset allocation of the Fund.

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).

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 website www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures.

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Risk Management method

Absolute Value-at-Risk (VaR)

Expected Leverage

180% 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.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the absolute VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the absolute VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate."

All other key features of the Fund will remain the same.

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 changes become effective you may do so at any time up to and including deal cut-off on **21 June 2021**. 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 on **21 June 2021**.

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

Yours faithfully,

A handwritten signature in black ink, consisting of two large, rounded loops followed by a horizontal line extending to the right.

Cecilia Vernerson
Authorised Signatory

A handwritten signature in black ink, featuring a complex, cursive style with multiple overlapping loops and a long, sweeping tail.

Nirosha Jayawardana
Authorised Signatory

Appendix

ISIN codes of share classes affected by the changes

Share class	Share class currency	ISIN code
A Accumulation	EUR	LU0776413196
A Distribution	EUR	LU0776413352
A1 Accumulation	EUR	LU0776413279
A1 Distribution	EUR	LU0776413436
C Accumulation	EUR	LU1195516098
I Accumulation	EUR	LU1195516254
IZ Accumulation	EUR	LU2016216587
A Accumulation Hedged	CHF	LU0975320101
A Accumulation Hedged	SEK	LU1388564293