

Schroder International Selection Fund
Société d'Investissement à Capital Variable
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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.

28 February 2020

Dear Shareholder,

Schroder International Selection Fund (the "Company")

We refer to the shareholder letter dated 12 November 2019 (the "Letter"), which provided that the section headed 'Calculation of Net Asset Value Per Share' of the Company's prospectus has been amended to reflect liquid assets will usually be valued on a mark to market rather than an amortised cost basis. We are writing to provide further information on the amendment.

The European Union's Money Market Funds Regulation (2017/1131) (the "MMFR") took effect on 21 March 2019. The MMFR is applicable to two sub-funds of the Company, namely EURO Liquidity (this is not a money market fund in Hong Kong)* and US Dollar Liquidity (this is not a money market fund in Hong Kong)* (collectively, the "Liquidity Funds").

The MMFR mandates certain changes to the Liquidity Funds, amongst them, liquid assets held are to be valued on a mark-to-market basis rather than an amortised cost basis (the "Change"). For clarification, "liquid assets" refers to eligible deposits and cash, "mark-to-market basis" means the assets are valued based on the price on the preceding dealing day and "amortised cost basis" means that the assets are valued based on the value over the life of the asset.

Although the Change is applicable to the Liquidity Funds as a result of the implementation of the MMFR, we decided to extend the Change to all other sub-funds of the Company to ensure consistency of the valuation methodology applicable to liquid assets. The Change in respect of other sub-funds of the Company also took effect on 21 March 2019.

The Change has no material impact on the sub-funds of the Company. All other features of the sub-funds and their risk profiles remain the same.

* **In Hong Kong, the fund is not authorized as money market fund under the Securities and Futures Commission's Code of Unit Trusts and Mutual Funds.** The remaining maturity of the instruments purchased by the fund and the weighted average maturity/life of the Fund's portfolio do not meet the limits applicable to money market fund in Hong Kong. The fund may be more negatively impacted by changes in interest rates and subject to higher credit and liquidity risks.

We would also like to clarify that the "March 2019 update" mentioned in the Letter was referring to the prospectus of the Company issued in Luxembourg in March 2019. Please note that the Change was reflected in the Company's Hong Kong offering documents issued in December 2019.

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 Schrodgers Investor Hotline on (+852) 2869 6968.

Yours faithfully,



Chris Burkhardt
Authorised Signatory



Nirosha Jayawardana
Authorised Signatory