

**3 April 2024**

Dear Shareholder,

## **Schroder International Selection Fund (the "Company") – Inflation Plus (the "Fund")**

We are writing to advise you that with effect from 8 May 2024 the Fund's investment policy will be updated to allow the use of Total Return Swaps (TRS) (in the form of commodity index swaps).

### **Background and rationale**

The investment team uses a combination of commodities and high yielding bonds to build a UCITS eligible inflation protection strategy. The Fund has limits to manage exposures and among these are limits on gold and precious metals at 25%, and commodities at 25%. However, regulatory limits make utilising these levels difficult and we believe the use of TRS will allow the Fund to gain the exposures required without breaching the Fund's limits.

Full details of the changes being made can be seen in Appendix 1 to this letter.

### **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 7 May 2024. 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.com](http://www.schroders.com).

If you have any questions or would like more information about Schroders' products please visit [www.schroders.com](http://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

Current Investment Policy	New Investment Policy
<p>The Fund is actively managed and may invest worldwide in commodities, equity and equity related securities of companies, fixed and floating rate securities and other Alternative Asset Classes in any currency, either directly or indirectly through open-ended Investment Funds and Exchange Traded Funds.</p> <p>The exposure to commodities and other Alternative Asset Classes will be taken through eligible assets as described under the definition of "Alternative Asset Classes" in Appendix III of this Prospectus.</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 &amp; Poor's or any equivalent grade of other credit rating agencies).</p> <p>The Fund may exceptionally invest 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.</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 is actively managed and may invest worldwide in commodities, equity and equity related securities of companies, fixed and floating rate securities and other Alternative Asset Classes in any currency, either directly or indirectly through open-ended Investment Funds and Exchange Traded Funds.</p> <p>The exposure to commodities and other Alternative Asset Classes will be taken through eligible assets as described under the definition of "Alternative Asset Classes" in Appendix III of this Prospectus.</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 &amp; Poor's or any equivalent grade of other credit rating agencies).</p> <p>The Fund may exceptionally invest 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.</p> <p>The Fund may use derivatives <b>(including total return swaps), long and short</b>, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. <b>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, the aim is to use total return swaps and contracts for difference on a continuous basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk. Contracts for difference and total return swaps are intended to 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 75% and is expected to remain within the range of 25% to 50% of the Net Asset Value. In certain circumstances this proportion may be higher.</b></p>

ISIN codes of the share classes impacted by this change:

Share class	Share class currency	ISIN code
A Accumulation	EUR	LU0107768052
A Distribution	EUR	LU0107768300
A1 Accumulation	EUR	LU0133717412
A1 Distribution	EUR	LU0211452114

<b>Share class</b>	<b>Share class currency</b>	<b>ISIN code</b>
B Accumulation	EUR	LU0107768136
B1 Distribution	EUR	LU0107768482
C Accumulation	EUR	LU0107768219
I Accumulation	EUR	LU0134345908
IZ Accumulation	EUR	LU2016221827
A1 Accumulation	USD	LU0251571252
A1 Distribution	USD	LU0251571500
A Accumulation	USD Hedged	LU2419418764
C Accumulation	USD Hedged	LU2419418681