

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.

12 July 2022

Dear Shareholder,

Schroder International Selection Fund (the "Company") - Hong Kong Dollar Bond (the "Fund")

We are writing to inform you on 16 August 2022 (the "**Effective Date**") the Fund's target benchmark comprising of 50% 3 month HIBOR + 50% iBoxx ALBI Hong Kong index ("**Target Benchmark**") will be removed from the Fund's investment objective (the "**Target Benchmark Removal**").

In addition the investment policy has been updated to clarify that the Fund may invest in securities with an investment grade or sub-investment grade credit rating. However, the Fund aims to achieve an average credit quality equivalent to investment grade.

Background and rationale

From the Effective Date the Fund will adopt a benchmark agnostic strategy, which means the Fund is not restricted in its portfolio construction by a representative benchmark. Despite the existing benchmark-relative allocations helped to deliver some outperformance for the Fund, after careful consideration, the investment manager concluded that the Fund will need to invest in securities that deviate from the existing benchmark to better achieve the Fund's investment objective. As a result, the Target Benchmark will be removed from the investment objective. As the Fund has indirect exposure to sub investment grade bonds the investment policy has been updated to reflect this exposure.

Target Benchmark Removal and investment objective change

From the Effective Date the investment objective of the Fund will change from: "The Fund aims to provide capital growth and income in excess of 50% 3 month HIBOR + 50% iBoxx ALBI Hong Kong index after fees have been deducted over a three to five year period^{Note} by investing in fixed and floating rate securities denominated in HKD."

To:

“The Fund aims to provide capital growth and income over a three to five year period ^{Note} by investing in fixed and floating rate securities denominated in HKD.”

^{Note} For clarification purpose, this means to exceed a medium to long term return of the stated index after fees have been deducted. The three to five year period is considered as a medium to long term period, and is the period over which an investor should assess the fund’s performance.

Investment policy clarification and update

The following wording has been added to the Fund’s investment policy:

“The Fund may invest in securities with an investment grade or sub-investment grade credit rating and aims to achieve an average credit quality equivalent to investment grade (as measured by Standard & Poor’s or any equivalent grade of other credit rating agencies for rated bonds and implied Schrodgers ratings for non-rated bonds).”

Save as disclosed above, (i) all other key features of the Fund (including fees chargeable in respect of the Fund as stated in the Hong Kong offering documents) will remain the same; (ii) there will be no change to the risks applicable to the Fund as a result of the changes set out above; and there will also be no material change in the operation and/or manner in which the Fund is being managed as a result of the changes set out above. The changes are not expected to materially prejudice the rights or interests of existing investors.

Costs and expenses in respect of the changes

Any costs and expenses incurred in the changes including legal, audit and regulatory charges, which are estimated to be approximately less than 0.01% of the net asset value of the Fund, will be borne by the Fund. Such costs and expenses are expected to be insignificant.

The Hong Kong offering documents of the Company will be revised to reflect the above changes and will be available free of charge at www.schroders.com.hk¹ or upon request from the Hong Kong Representative of the Company, Schroder Investment Management (Hong Kong) Limited.

Redeeming or switching your shares to another Schrodgers fund

We hope that you will choose to remain invested in the Fund following the 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”)² before the Effective Date, you may do so at any time up to and including the dealing cut-off at 5:00 p.m. Hong Kong time on **15 August 2022**. Please ensure that your redemption or switch instruction reaches the Hong Kong Representative before this deadline. We will execute your redemption or switch instructions in accordance with the provisions of the Company’s Hong Kong offering documents, 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 dealing cut-off which is earlier than

¹ This website has not been reviewed by the SFC.

² 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.

that described above, so please check with them to ensure that your instructions reach the Hong Kong Representative before the dealing cut-off at 5:00 p.m. Hong Kong time on **15 August 2022**.

If you have any questions or would like more information, please contact your usual professional advisor or the Hong Kong Representative at Level 33, Two Pacific Place, 88 Queensway, Hong Kong or calling the Schroders Investor Hotline on (+852) 2869 6968.

Yours faithfully,

The Board of Directors