

Schroder International Selection Fund
Société d'Investissement à Capital Variable
5, rue Höhenhof, L-1736 Senningerberg
Grand Duchy of Luxembourg

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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.

25 August 2023

Dear Shareholder,

Schroder International Selection Fund (the “Company”) – US Smaller Companies Impact (the “Fund”)

We are writing to inform you that the Fund's investment policy has been clarified.

Background and rationale

A reference in the Fund's investment policy that the Fund “typically holds fewer than 50 companies” has been clarified to “typically holds 40 – 60 companies” to provide additional flexibility when implementing the investment strategy of the Fund. Save as disclosed above, all other key features of the Fund, including the investment objective, risk and return profile and fees, will remain the same.

The Hong Kong offering documents of the Company will be revised to reflect the changes as set out above and other miscellaneous changes / updates 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.

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

¹ This website has not been reviewed by the SFC.

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18 August 2023

Dear Shareholder,

Schroder International Selection Fund (the "Company") – Transfer of investor data, changes to subscription, redemption and switching procedures and other changes

Transfer of investor data

We are writing to inform you that the Company's prospectus has been updated to state that investor data (such as name and address) may be transferred by or on behalf of Schroder Investment Management (Europe) S.A. to certain third party service providers, such as paying agents or facilities agents, in the EEA, Switzerland, the UK and Hong Kong.

For further information on the transfer of your personal data please refer to our privacy policy (available at www.schroders.com/en/privacy-policy¹).

Changes to subscription, redemption and switching procedures and other changes

Please note that instructions for subscription, redemption and switching of shares in the sub-funds of the Company (the "**Sub-Funds**") can also be submitted by post or by fax to the Company's transfer agent's delegate, The Hongkong and Shanghai Banking Corporation Limited (the "**Delegate**"). The Hong Kong Representative, Schroder Investment Management (Hong Kong) Limited, will continue to receive applications for subscription, redemption and switching of shares in the Sub-Funds by post, but applications by fax should be made to the Delegate only.

The transfer of shares may also be effected by delivery to the Delegate of a duly signed transfer form in appropriate form.

The Hong Kong offering documents of the Company will be revised to reflect the changes as set out above and will be available free of charge at www.schroders.com.hk² or upon request from

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the Hong Kong Representative of the Company, Schroder Investment Management (Hong Kong) Limited.

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 Schrodgers Investor Hotline on (+852) 2869 6968.

Yours faithfully,

The Board of Directors

Issuer: Schroder Investment Management (Europe) S.A.

April 2023

*This statement provides you with key information about this product.
This statement is a part of the offering document.
You should not invest in this product based on this statement alone.*

Quick facts**Management company:** Schroder Investment Management (Europe) S.A.**Investment manager:** Schroder Investment Management North America Inc., located in the United States of America, internal delegation**Sub-investment manager(s) and sub-delegate(s), if any:** Internal delegation to one or more sub-investment manager(s) (if any) and sub-delegate(s) (if any) as described in the section headed "Sub-Investment Managers and Sub-Delegates" in the Hong Kong Covering Document. The list of the latest sub-investment manager(s) and sub-delegate(s) of the fund will be provided on request and shall be further disclosed in the periodic reports of Schroder International Selection Fund.**Depository:** J.P. Morgan SE – Luxembourg Branch

Ongoing charges over a year*:	Class A USD Dis AV	1.84%	Class A USD Acc	1.84%
	Class A1 USD Acc	2.34%		

Dealing frequency: Daily**Base currency:** USD

Dividend policy: A and A1 Accumulation share classes – Dividend will not be distributed but will be reinvested into the fund.

A and A1 Distribution share classes – The board of directors generally has discretion as to whether or not to make any distribution. The distribution frequency is indicated in the share class designation as follows: M = monthly, Q = quarterly, S = semi-annual, A = annual

Distributions may be paid out of capital and reduce the fund's net asset value.

Financial year end of this fund: 31 December**Minimum investment:** A and A1 share classes: Initial – EUR1,000 or USD1,000 (or equivalent); Subsequent investment – EUR1,000 or USD1,000 (or equivalent)

* The ongoing charges figure is based on the expenses for the year ended 31 December 2022. This figure may vary from year to year.

What is this product?

This is a sub-fund of Schroder International Selection Fund, a mutual fund domiciled in Luxembourg and its home regulator is Commission de Surveillance du Secteur Financier.

Objectives and investment strategy

Investment Objective

The fund aims to provide capital growth in excess of the Russell 2000 Lagged (Net TR) index after fees have been deducted over a three to five year period^{Note} by investing in equity and equity related securities of small-sized US companies which help to advance the United Nations Sustainable Development Goals (the "UN SDGs") and which the investment manager deems to be sustainable investments.

^{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

The fund is actively managed and invests at least 75% of its assets in sustainable investments, which are investments that the investment manager expects to contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs, and to deliver returns to shareholders over the long term. The investment manager will select companies from a universe of eligible companies that have been determined as meeting the investment manager's impact criteria. The impact criteria include an assessment of the company's contribution to the UN SDGs. This means that the extent to which companies deliver a direct or indirect positive impact to society in order to advance the UN SDGs together with the impact that these actions could have on a company's value are considered in the assessment of companies. Please see the "Sustainability Criteria" section below for more details.

The fund does not directly invest in certain activities, industries or groups of issuers which generate revenue above the respective limits as prescribed by the investment manager from time to time, including but not limited to revenues from tobacco and controversial weapons. The respective limits and exclusion list may be updated from time to time. For further information, please refer to the fund's webpage¹.

The fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the investment manager's sustainability rating criteria (please see "Sustainability Criteria" section below for more details).

The fund may invest in companies that the investment manager believes will improve their sustainability practices within a reasonable timeframe, typically up to two years.

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 website².

The fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of small-sized US companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the US equities market. The fund typically holds fewer than 50 companies.

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, warrants and money market investments, and hold cash (subject to the restrictions provided in Appendix I of the Prospectus).

Under exceptional circumstances (e.g. market crash or major crisis), the fund may be invested temporarily up to 100% of its net asset value in liquid assets such as bank deposits, certificates of deposit, commercial paper and treasury bills for cash flow management.

¹ Accessed via www.schroders.com/en/lu/private-investor/gfc (this website has not been reviewed by the SFC).

² Accessed via <https://www.schroders.com/en/hk/retail-investors/sustainability/making-an-impact-through-sustainability> (this website has not been reviewed by the SFC).

Schroder International Selection Fund - US Smaller Companies Impact

The fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. Derivatives can be used for instance to create market exposures through equity, currency, volatility or index related financial derivative instruments and include over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps, forward contracts and/or a combination of the above.

Sustainability Criteria

The investment manager applies sustainability criteria when selecting investments for the fund. Investments are composed of companies that have been determined as meeting the investment manager's impact criteria i.e. companies whose products and services solve one of the UN SDG gaps or that operate in a mainstream industry that indirectly solves one of the UN SDG gaps.

In order to identify companies with a direct link to a UN SDG, the investment manager uses a proprietary screening tool to map company revenue to UN SDGs. The tool splits revenue into numerous different categories linked to UN SDGs. While the investment manager uses the tool to assess individual companies, it also enables the investment manager to measure the overall revenue link to UN SDGs on a consolidated portfolio level. The investment manager has identified three types of companies that will make up the portfolio.

The first type are highly innovative companies whose business model solves a direct need within the UN SDGs. These are growth companies whose solution to a UN SDG gap can be scaled.

The second type are companies that are already generating revenues that have an impact (i.e. contribution to some or all of the UN SDGs), but do not articulate or highlight that impact. These are companies the investment manager can identify due to its deep understanding of the US Small Cap universe where it sees a re-rating opportunity. By identifying these companies, the companies can better articulate and become more transparent about their impact opportunity. This is expected to be the largest group in the fund's portfolio.

The third type will tend to have the lowest level of revenue link to UN SDGs. These are companies who require a business model transition in order for its business to survive. These are companies the investment manager believes have the ability and desire to transition and where it sees the ability to help guide such companies on that journey. Each investment must have some revenue linking to a UN SDG. Based on where the investment falls within the three types the level of linked revenue will vary.

The investment manager ensures that at least 90% of companies in the fund's portfolio are rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the fund's potential investment universe is excluded from the selection of investments.

This universe is comprised of equity and equity related securities of small-sized US companies or companies which derive a significant proportion of their revenues or profits from small-sized US companies.

Benchmark

The fund's performance should be assessed against its target benchmark being to exceed the Russell 2000 Lagged (Net TR) index ("Target Benchmark") and compared against the Morningstar US Small-Cap Equity Category and the S&P Small Cap 600 Lagged (Net TR) index ("Comparator Benchmarks"). The fund's investment universe is expected to overlap materially with the components of the Target Benchmark and the S&P Small Cap 600 Lagged (Net TR) index. The Comparator Benchmarks are only included for performance comparison purposes and do not determine how the investment manager invests the fund's assets. The S&P Small Cap 600 Lagged (Net TR) index is also used for sustainability score comparison. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the fund.

Use of derivatives / investment in derivatives

The fund's net derivative exposure may be up to 50% of the fund's net asset value.

What are the key risks?

Investment involves risk. Please refer to the offering document for details including the risk factors.

1. Equity investment risk

Investment in equity securities is subject to the risk that the market value of the stocks may go down as well as up due to numerous factors such as changes in investment sentiment, political environment, economic environment, issuer-specific factors, regional or global economic instability, currency and interest rate fluctuations. If the market value of the stocks go down the net asset value of the fund may be adversely affected.

2. Risks relating to sustainable investment approach

- **Concentration risk:** The fund follows a sustainable investment approach, which may cause it to be overweight and/or underweight in certain sectors and thus perform differently than funds that have a similar objective but which do not incorporate sustainability investment criteria when selecting securities. The value of the fund will be more volatile than that of a fund having a more diverse portfolio of investments.
- **Subjective judgment in investment selection:** In pursuing the sustainable investment approach, the investment manager integrates certain environmental and social sustainability themes into the investment selection process, which involves analysis of potential investment based on certain "sustainability factors". Such assessment by the investment manager is subjective in nature and therefore it is possible that the investment manager may have a different interpretation of what is sustainable compared to another manager which may lead to the fund investing in certain opportunities or foregoing investment opportunities when it might otherwise be advantageous to do so and/or selling securities due to their sustainable characteristics when it might be disadvantaged to do so.
- **Exclusion risk:** Environmental and social exclusion criteria used in the fund's investment strategy may result in the fund foregoing opportunities to buy certain securities when it might otherwise be advantageous to do so, and/or selling securities due to their environmental and social characteristics when it might be disadvantageous to do so. As such, the application of exclusion criteria may restrict the ability of the fund to acquire or dispose of its investments at a price and time that it wishes to do so, and may therefore result in a loss to the fund.
- **Reliance on corporate data or third-party information:** When assessing a potential investment based on the fund's sustainability criteria, the investment manager is dependent upon information and data from the security issuer and/or third-parties. Such information or data may be incomplete, inaccurate or inconsistent. The lack of a standardized taxonomy may also affect the investment manager's ability to measure and assess the environment and social impact of a potential investment.
- **Change in nature of investments:** The securities held by the fund may be subject to style drift which no longer meet the fund's sustainability criteria after its investments. The investment manager may have to sell such security held by the fund at a disadvantageous price. This may lead to a fall in the value of the fund.

3. Portfolio Concentration Risk

Although the strategy of the fund of investing in a limited number of assets has the potential to generate attractive returns over time, the fund which invests in a concentrated portfolio of securities may tend to be more volatile than a fund which invests in a more broadly diversified range of securities. If the assets in which the fund invests perform poorly, the fund could incur greater losses than if it had invested in a larger number of assets.

4. Concentrated geographical locations

The fund investing in concentrated geographical locations may be subject to a higher level of risks comparing to a fund investing in a more diversified portfolio/strategy. The value of the fund may be more

susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the relevant geographical locations.

5. **Smaller companies risk**

Fund invests in smaller companies may fluctuate in value more than other funds and may be more vulnerable to adverse developments than those in larger companies. During periods where markets are falling, securities of smaller companies may become less liquid and experience short-term price volatility and wide spreads between dealing prices.

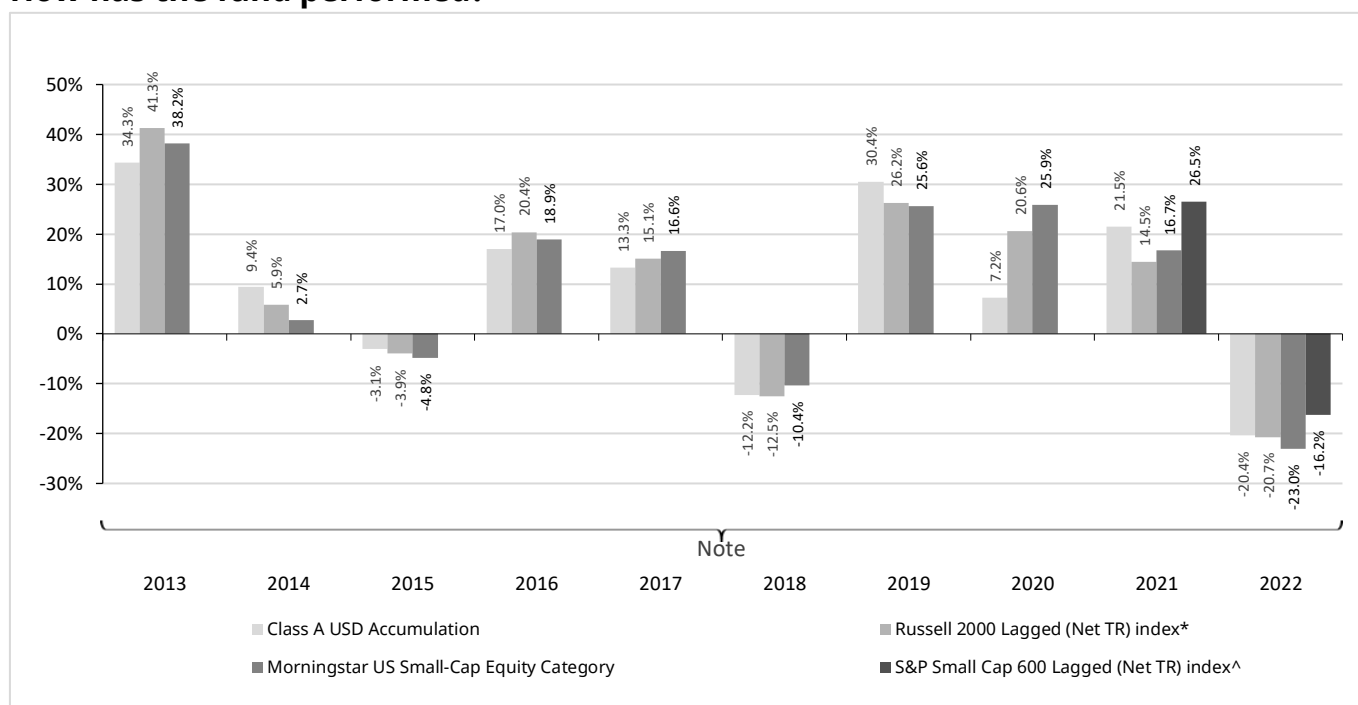
6. **Derivatives**

The fund may use derivatives to meet its specific investment objective. There is no guarantee that the performance of derivatives will result in a positive effect for the fund. Derivative exposure may lead to a high risk of significant capital loss. Risks associated with derivatives include credit risk and counterparty risk, liquidity risk, valuation risk, volatility risk, over-the-counter transaction risks and hedging risk. The leverage element/component of derivatives can result in a loss significantly greater than the amount invested in the derivatives by the fund. There is no guarantee that the desired hedging instruments will be available or hedging techniques will achieve their desired result. In adverse situations, the use of hedging instruments may become ineffective in hedging and the fund may suffer significant losses.

7. **Risks relating to distributions**

- For distribution share classes with a general dividend policy, expenses will be paid out of capital rather than out of gross income. The amount of distributable income therefore increases and the amount so increased may be considered to be dividend paid out of capital; capital growth will be reduced and in periods of low growth capital erosion may occur.
- Distribution share classes with a fixed dividend policy will distribute the dividends based on a fixed amount or fixed percentage of the net asset value per share. This may result in share classes with fixed distributions either paying out both income and capital in distribution payments, or not substantially distributing all the investment income which a share class has earned.
- **You should note that in the circumstances where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount you originally invested or capital gains attributable to that and may result in an immediate decrease in the net asset value per share.**

How has the fund performed?



- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-To-NAV, with dividend reinvested.
- These figures show by how much the fund's Class A USD Accumulation increased or decreased in value during the calendar year being shown. Performance data has been calculated in USD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Target Benchmark: Russell 2000 Lagged (Net TR) index*
- Comparator Benchmarks: Morningstar US Small-Cap Equity Category and S&P Small Cap 600 Lagged (Net TR) index^
- Fund launch date: 1989
- Class A USD Accumulation launch date: 2000
- The management company views the Class A USD Accumulation, being the retail share class denominated in the base currency of the fund, as the most appropriate representative share class of the fund.

Note: The performance of these years was achieved under circumstances that no longer apply. During these years, there were material changes to the fund, namely, changes of investment objective and policy and reduction of fee(s).

* With effect from 1 May 2021, the Target Benchmark of the fund has been changed from Russell 2000 Lagged (Gross TR) index to Russell 2000 Lagged (Net TR) index in order to enhance the accuracy of the Target Benchmark as a performance target for the fund by using a net rather than gross variant.

^ With effect from 29 October 2021, a new comparator benchmark, the S&P Small Cap 600 Lagged (Net TR) index, has been added as part of the fund's conversion from SFDR article 6 to article 8.

Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?**Charges which may be payable by you**

You may have to pay the following fees when dealing in the shares of the fund.

Fee	What you pay	
Share class	A	A1
Subscription fee (Initial charge)	Up to 5.00% of the total subscription amount	Up to 4.00% of the total subscription amount
Switching fee (Switching charge)	Up to 1.00% of the value of the shares to be switched	
Redemption fee (Redemption charge)	Nil	

Ongoing fees payable by the fund

The following expenses will be paid out of the fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the fund's value)	
Share class	A	A1
Management fee (Annual Management Charge)	1.50%	
Depositary fee	Up to 0.005%	
Performance fee	Nil	
Administration fee	Up to 0.25%	
Distribution charge (Annual Distribution Charge)	Nil	0.50%
Custody safekeeping fee	Up to 0.3%	
Transaction fees (charged by the Depositary)	Up to USD75 per transaction	
Fund accounting and valuation fees	Up to 0.0083%	

Other fees

You may have to pay other fees when dealing in the shares of the fund. Please refer to the offering document for fees payable by the fund.

Additional information

- You generally buy and redeem shares at the fund's relevant net asset value ("NAV") after Schroder Investment Management (Hong Kong) Limited receives your request, directly or via a distributor, in good order at or before 5pm HK time, being the fund's dealing cut-off time on each dealing day of the fund. Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal dealing cut-off time (which may be earlier than the fund's dealing cut-off time).
- A dividend calendar including details on the distribution frequency and the dividend calculation basis for all available distribution share classes and a composition of the dividend payments (i.e. the percentages of distribution being paid out of capital and net distributable income) for the last twelve months for each of these distribution share classes (i) with a variable distribution policy or (ii) with a fixed dividend policy and paying dividends out of capital are also available from the Schroder Investment Management (Hong Kong) Limited on request and from the Schroders' Internet site (www.schroders.com.hk). This website has not been reviewed by the SFC.
- Past performance information of other share classes offered to Hong Kong investors is available online at www.schroders.com.hk. This website has not been reviewed by the SFC.
- The net asset value of this fund is calculated and the price of shares is published on each dealing day. They are available online at www.schroders.com.hk. This website has not been reviewed by the SFC.

Important

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.