

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

Tel: +352 341 342 202  
Fax: +352 341 342 342

**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.**

**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-policy](http://www.schroders.com/en/privacy-policy)<sup>1</sup>).

### **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.hk](http://www.schroders.com.hk)<sup>2</sup> or upon request from

---

<sup>1</sup> This website has not been reviewed by the SFC.

<sup>2</sup> This website has not been reviewed by the SFC.

[www.schroders.com](http://www.schroders.com)

R.C.S. Luxembourg – B. 8202

For your security telephone conversations may be recorded

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**

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

<b>Management company:</b>	Schroder Investment Management (Europe) S.A.			
<b>Investment manager:</b>	Schroder Investment Management Australia Limited, located in Australia, internal delegation			
<b>Sub-investment manager(s) and sub-delegate(s), if any:</b>	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.			
<b>Depository:</b>	J.P. Morgan SE – Luxembourg Branch			
<b>Ongoing charges over a year*:</b>	Class A USD Acc	1.58%	Class A HKD Acc	1.58%
	Class A USD Dis MF	1.58%	Class A RMB Hedged Acc	1.61%
	Class A RMB Hedged Dis MFC	1.61%	Class A EUR Hedged Dis MF	1.61%
	Class A AUD Hedged Dis MFC	1.61%	Class A HKD Dis MF	1.58%
	Class A USD Dis MV	1.58%	Class A EUR Hedged Acc	1.61%
<b>Dealing frequency:</b>	Daily			
<b>Base currency:</b>	USD			
<b>Dividend policy:</b>	<p>A Accumulation share classes – Dividend will not be distributed but will be reinvested into the fund.</p> <p>A Distribution share classes – The board of directors generally has discretion as to whether or not to make any distribution save for the Distribution share classes with fixed dividend policy which are subject to the disclosures below. This distribution frequency and attributes are indicated in the share class designation as follows:</p> <p>M = monthly, Q = quarterly, S = semi-annual, A = annual,</p> <p>Currency carry#: C</p> <p>Distributions may be paid out of capital and reduce the fund's net asset value.</p> <p>In respect of Distribution share classes with fixed dividend policy, the distribution amount per share is calculated as follows: dividend rate ÷ distribution frequency over a year × net asset value per share on the record date. Details of the Distribution share classes with fixed dividend policy are set out below:</p>			

Fixed Distribution Share Class	Currency	Distribution Frequency over a year	Dividend Rate
Class A USD Dis MF	USD	Monthly (12)	5.00% per annum
Class A EUR Hedged Dis MF	EUR	Monthly (12)	5.00% per annum
Class A HKD Dis MF	HKD	Monthly (12)	5.00% per annum

Investors should note that a positive distribution yield does not imply a positive return. The board of directors will periodically review fixed distribution share classes and reserves the right to make changes.

**Financial year end of this fund:** 31 December

**Minimum investment:** A 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.

# This refers to the premium or discount that may apply to the distribution. Distributions may include a premium when the interest rate of a currency hedged share class is higher than the fund's base currency interest rate. Consequently when the interest rate of a currency hedged share class is lower than the fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the fund's investment objective or investment policy.

## 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 and income of ICE BofA 3 Month US Treasury Bill Index +5% per annum before fees have been deducted over rolling three year periods by investing in a broad range of asset classes worldwide. There is no guarantee that the objective will be attained and your capital is at risk.

### Investment Policy

The fund is actively managed and invests directly or indirectly (through open-ended investment funds and derivatives) in equities and equity related securities, fixed and floating rate securities (issued by governments, government agencies, supra-nationals and companies), mortgage-backed and asset-backed securities, convertible bonds, currencies and alternative asset classes such as real estate, infrastructure and commodity related transferable securities.

The fund may hold up to 40% of its assets in open-ended investment funds. However as the fund grows the investment manager expects the fund to hold less than 10% in open-ended investment funds.

The fund may invest in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The fund may also invest in money market investments and hold cash and under normal market conditions, the fund may not invest more than 50% of its net asset value in money market investments and cash.

It is the current intention of the investment manager that the fund will not invest more than 10% of its net asset value in securities issued by or guaranteed by any single country with a credit rating below investment grade.

The fund may invest up to 20% of its net asset value in debt instruments issued by financial institutions with loss-absorption features (e.g. contingent convertible bonds, Additional Tier 1, Tier 1 and Tier 2 capital notes, senior non-preferred notes, senior and subordinated bonds issued by holding companies of a financial institution). These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger events.

The fund may invest up to 10% of its net asset value in insurance-linked securities ("ILS"), such as catastrophe bonds, issued outside Hong Kong and/or any ILS-related products, such as derivatives or structured products whose returns are linked to the performance of any ILS and collective investment schemes whose investment objective or principal investment strategy is investing in ILS. For the avoidance of doubt, the fund will not invest in ILS issued in Hong Kong and their repackaged products and derivatives.

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.

The fund maintains a higher overall sustainability score than a bespoke asset-weighted blend\* of the MSCI World Index (hedged to USD), MSCI Emerging Market Index (unhedged), Barclays Global Aggregate Corporate Bond Index (hedged to USD), Barclays Global High Yield excl. CMBS & EMD 2% Index (hedged to USD), ICE BofA US Treasury Index (hedged to USD), JPM GBI Emerging Market Index - EM Local (unhedged) and JPM EMBI Index EM Hard Currency (hedged to USD), 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 of the Fund Details, as set out in Appendix III of the Prospectus.

\*The blend will evolve over time in line with the actual asset allocation of the fund.

The fund intends to use derivatives (including total return swaps) 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, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates 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 40% and is expected to remain within the range of 0% to 20% of the net asset value. In certain circumstances this proportion (i.e. the range of 0% to 20% of the net asset value) may be higher.

Derivatives may be used to gain exposure to a wide range of asset classes including, but not limited to, currencies, real estate, infrastructure and commodities. Such derivatives include, but are not limited to, over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts and/or a combination of the above.

The fund will have limited Renminbi (RMB) denominated underlying investments.

#### Benchmark

The fund's performance should be assessed against its target benchmark, being to achieve a return of ICE BofA 3 Month US Treasury Bill Index +5% before fees have been deducted. The investment manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. 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 investment in investment funds

- The fund may invest in other investment funds which may or may not be regulated by the SFC. In addition to the expenses and charges charged by the fund, investors should note that there are additional costs involved when investing into these investment funds, including fees and expenses charged by the investment manager of these investment funds as well as fees payable by the fund during its subscription to or redemption from these investment funds.
- There can be no assurance that (i) the liquidity of the investment funds will always be sufficient to meet redemption request as and when made; and (ii) investment objective and strategy will be successfully achieved despite the due diligence procedures undertaken by the investment manager and the selection and monitoring of the investment funds. These factors may have adverse impact on the fund and its investors.

### 3. Risk relating to investment in debt securities

- **Credit and counterparty risk**— Investment in debt securities is subject to the credit/default risk of the issuer which may also adversely affect the settlement of the securities.
- **Interest rate risks**— Investment in the fund is subject to interest rate risk. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.
- **Credit ratings risk**— Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the security and/or issuer at all times.
- **Credit downgrading risk**— The credit rating of debt securities or their issuers may subsequently be downgraded. In the event of such downgrading, the value of the fund may be adversely affected. The investment manager may not be able to dispose of such securities immediately and the fund may therefore be subject to additional risk of loss.
- **Liquidity and volatility risk**— Securities not listed or rated or actively traded may have low liquidity and higher volatility. The prices of such securities may be subject to fluctuations. The bid and offer spread of their price may be high and the fund may therefore incur significant trading costs and may even suffer losses when selling such instruments.
- **Valuation risk**— Valuation of the fund's investment may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the net asset value calculation of the fund.

**4. Sovereign debt risk**

Investment in sovereign debt obligations issued or guaranteed by governments or their agencies of certain developing countries and certain developed countries may expose the fund to political, social and economic risks. A government entity's willingness or ability to repay principal and interest due in a timely manner may be affected by various factors. In the event that a government entity defaults on its sovereign debt, holders of sovereign debt, including the fund, may be requested to participate in the rescheduling of such debt and to extend further loans to the relevant government entity. The fund may suffer significant losses in such events.

**5. 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.

**6. 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.
- Investments in distribution share classes with fixed dividend policy are not an alternative to a savings account or fixed-interest paying investment. The percentage of distributions paid by distribution share classes with fixed dividend policy is unrelated to expected or past income or returns of these share classes or the fund. The distribution can thus be higher or lower than the income and return that were effectively realised.
- Distribution share classes with fixed dividend policy will continue to distribute in periods that the fund has negative returns or is making losses, which further reduces the net asset value of the distribution Share Classes with fixed dividend policy. In extreme circumstances, investors may not be able to get back the original investment amount.
- Investors should note that a positive distribution yield does not imply a positive return. Distribution share classes with a fixed dividend policy do not distribute a fixed amount and the constant percentage of distribution results in higher absolute distributions when the net asset value of the relevant Distribution share classes with fixed dividend policy is high, and lower absolute distributions when the net asset value of the relevant distribution share classes with fixed dividend policy is low.
- **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.**
- The distribution amount and net asset value of the currency hedged share class may be adversely affected by differences in the interest rates of the reference currency of the currency hedged share classes and the fund's base currency, resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-currency hedged share classes.

**7. Risks relating to hedging and the hedged classes**

- In respect of the share classes which the management company of the fund has the ability to fully hedge the shares of such share classes in relation to the fund currency, currency exposures or currency hedging transactions within the fund's portfolio will not be considered. The aim of a currency hedged share class is to provide you with the performance returns of the fund's investments by reducing the effects of exchange rate fluctuations between the fund currency and the reference currency. However there is no assurance that the hedging strategies employed will be effective in fully eliminating the currency exposure to the reference currency thereby delivering performance differentials that are reflective only of interest rate differences adjusted for fees.
- Where undertaken, the effects of this hedging will be reflected in the net asset value and, therefore, in the performance of such share class. Similarly, any expenses arising from such hedging transactions will be borne by the share class in relation to which the expenses have been incurred.
- It should be noted that, where relevant, these hedging transactions may be entered into whether the reference currency is declining or increasing in value relative to the relevant fund currency and so, where such hedging is undertaken it may substantially protect investors in the relevant share class against a decrease in the value of the fund currency relative to the reference currency, but it may also preclude investors from benefiting from an increase in the value of the fund currency.

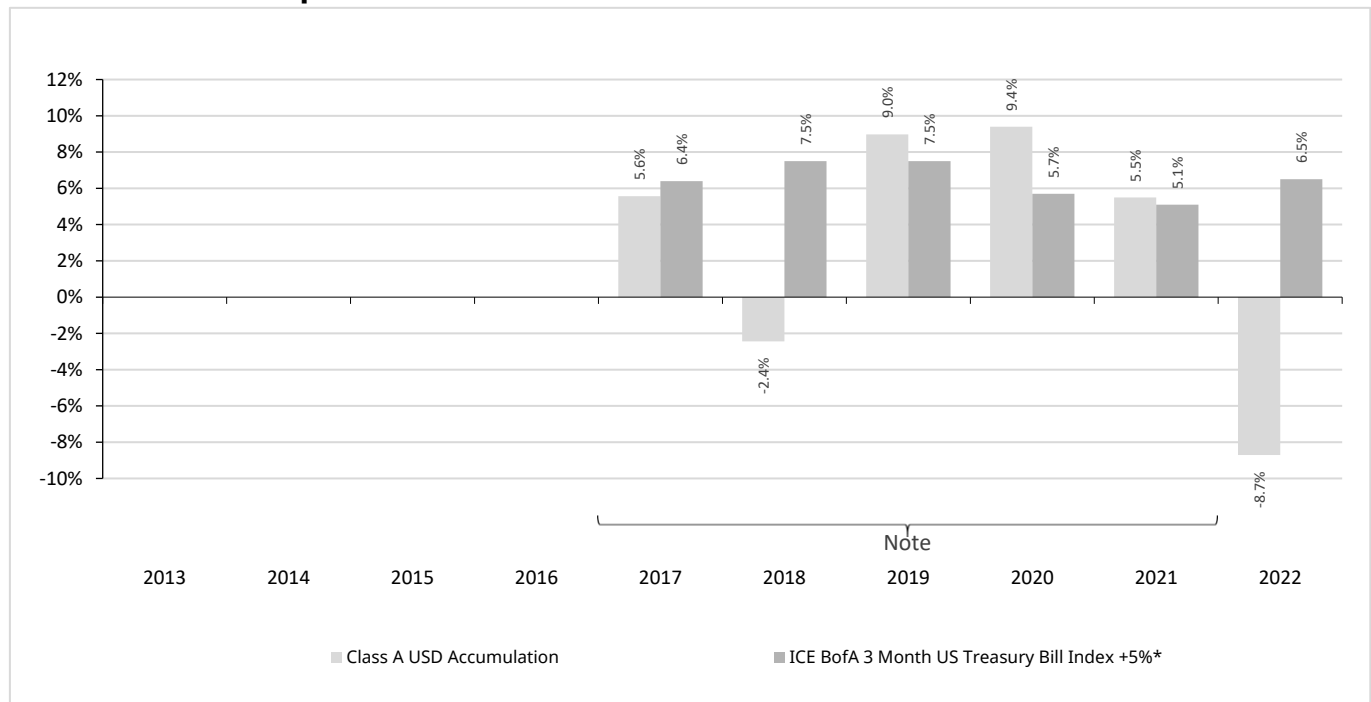
**8. Currency risks**

Assets and share classes may be denominated in currencies other than USD and some may not be freely convertible. The fund may be adversely affected by changes in foreign exchange rates and exchange rate controls of the currencies in which securities are held, the reference currencies of the share classes and the US Dollar. This exposes all share classes of the fund to exchange rate fluctuations and currency risk. It may not be practicable or possible to hedge against such foreign exchange/currency risk exposure.

**9. RMB Currency Risk and RMB share classes related risk**

- RMB is currently not freely convertible and is subject to foreign exchange control policies and restrictions.
- There can be no assurance that RMB will not be subject to depreciation. Any depreciation of RMB could adversely affect the value of investor's investment in share classes denominated in RMB.
- Share classes denominated in RMB will be valued with reference to offshore RMB ("CNH") rather than onshore RMB ("CNY"). While CNH and CNY represent the same currency, they are traded at different rates. Any divergence between CNH and CNY may adversely impact investors.
- Non-RMB based investors in share classes denominated in RMB may have to convert HK dollar or other currency(ies) into RMB when investing in share classes denominated in RMB and subsequently convert the RMB redemption proceeds and/or dividend payment (if any) back to HK dollar or such other currency(ies). Investors will incur currency conversion costs and you may suffer losses depending on the exchange rate movements of RMB relative to HK dollar or such other currencies.
- Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

## 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.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Target Benchmark: ICE BofA 3 Month US Treasury Bill Index +5%\*
- Fund launch date: 2016
- Class A USD Accumulation launch date: 2016
- 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, change of investment delegates and reduction of fee(s).

\* The target benchmark has been changed from USD 3 month LIBOR plus 5% to ICE BofA 3 Month US Treasury Bill Index plus 5% in 2021 as the fund's old target benchmark included an "interbank offered rate". Following regulatory developments, the use of such rates as benchmarks is being phased out.

## 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.

<b>Fee</b>	<b>What you pay</b>
<b>Share class</b>	A
<b>Subscription fee (Initial charge)</b>	Up to 4.00% of the total subscription amount
<b>Switching fee (Switching charge)</b>	Up to 1.00% of the value of the shares to be switched
<b>Redemption fee (Redemption charge)</b>	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.

	<b>Annual rate (as a % of the fund's value)</b>
<b>Share class *</b>	A
<b>Management fee (Annual Management Charge)</b>	1.25%
<b>Depository fee</b>	Up to 0.005%
<b>Performance fee</b>	Nil
<b>Administration fee</b>	Up to 0.25%
<b>Distribution charge (Annual Distribution Charge)</b>	Nil
<b>Custody safekeeping fee</b>	Up to 0.3%
<b>Transaction fees (charged by the Depository)</b>	Up to USD75 per transaction
<b>Fund accounting and valuation fees</b>	Up to 0.0083%

\* Where currency hedged share class is offered, a hedging charge of up to 0.03% per annum of the net asset value per share will be borne by the currency hedged share class in relation to which the charge is incurred. The hedging charge will be payable to the management company, which provides the currency hedging service.

**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](http://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](http://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](http://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.