

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.

26 April 2023

Dear Shareholder,

Schroder International Selection Fund

We are writing to inform you of the following changes or updates to the Hong Kong offering documents of the Company and its sub-funds ("**Funds**"), comprising the Prospectus and Hong Kong Covering Document of the Company and the Product Key Facts Statements of the Funds ("**Hong Kong Offering Documents**").

Any terms not defined in this letter shall have the same meaning as in the Prospectus.

I. Change of sustainability benchmark of Global Climate Change Equity

The sustainability benchmark of Global Climate Change Equity has changed from "MSCI World (Net TR) index" to "MSCI All Country World (Net TR) index" to align with the comparator benchmark, so that the Fund maintains a higher overall level of avoided emissions than MSCI All Country World (Net TR) index, based on the Investment Manager's rating system.

II. Change of investment policy of Asian Bond Total Return

The investment policy of Asian Bond Total Return has been updated to provide that the gross exposure of total return swaps of the Fund will not exceed 20% (previously, 60%) and the expected range has been reduced from "0-30%" to "0-5%" of the Fund's Net Asset Value. It has also been clarified to provide that total return swaps are aimed to be used on a temporary basis in market conditions including but not limited to periods of slow economic growth and falling interest rates, and where the Investment Manager's view is that sovereign spread premiums will compress. For the avoidance of doubt, there is no change to the existing practice (including the net derivative exposure) of the Fund.

III. Enhancement / clarification to the investment policies of the Funds

The investment policies of certain Funds have been enhanced or clarified. Please refer to the Appendix for details of the amendments.

IV. Miscellaneous updates / changes

Additional changes have also been made to the Hong Kong Offering Documents, including the following:

- (a) enhancement of disclosures relating to (i) SFDR pre-contractual disclosures for each Fund that has environmental and/or social characteristics (within the meaning of Article 8 SFDR) or has the objective of sustainable investment (within the meaning of Article 9 SFDR) information about such characteristics or objective; (ii) consideration of principal adverse impacts under SFDR and (iii) Taxonomy;
- (b) enhancement of disclosures to provide that where a Fund states that it invests at least a specific percentage of its assets (i) in sustainable investments as defined under SFDR; or (ii) to attain the environmental or social characteristics promoted by the Fund, the percentage may be breached on a temporary basis in exceptional circumstances, for example, the Investment Manager may adjust the Fund's exposure in response to adverse market and/or economic conditions and/or expected volatility, when in the Investment Manager's view to do so would be in the best interests of the Fund and its Shareholders;
- (c) clarification of dealing arrangement / procedures for subscription, redemption, suspensions, and deferrals to reflect existing practice;
- (d) enhancement of disclosures on general meeting procedures;
- (e) clarification of the arrangement for handling liquidation proceeds, i.e. amounts not claimed from escrow within the period fixed by-Luxembourg law (thirty years) will become the property of the state of the Grand Duchy of Luxembourg;
- (f) clarification of the basis of valuation is either a reliable market value of the instrument, or, if such value is not available, pricing model using an adequately-recognised methodology;
- (g) enhancement of disclosures to clarify that the investment management fees (referred to as an Annual Management Charge) are calculated and accrued on each Dealing Day by reference to the Net Asset Value of the Fund, or the Net Asset Value per Share as may be appropriate and paid monthly in arrears;
- (h) enhancement of disclosures on investment restrictions to provide that each Fund will not invest more than 20% of its net assets in cash and deposits at sight (such as cash held in current accounts) for ancillary liquidity purposes in normal market conditions. Under exceptional unfavourable market conditions (such as the September 11 attacks or the bankruptcy of Lehman Brothers in 2008) and on a temporary basis, this limit may be breached, if justified in the interest of the Investors. For clarification, disclosures in the Hong Kong Offering Documents have been enhanced to provide that under exceptional circumstances (e.g. market crash or major crisis), the Funds may be invested temporarily up to 100% of their respective Net Asset Value in liquid assets such as bank deposits, certificates of deposit, commercial paper and treasury bills for cash flow management;

- (i) clarification of investment restrictions regarding the relevant limit for investments in shares and/or bonds issued by the same body when the aim of a Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF;
- (j) clarification of disclosures on sustainability scores and enhancement of disclosures on Investment Manager's proprietary sustainability tools;
- (k) clarification of investment limits to provide that a Fund will not hold more than 5% of its assets in transferable securities traded on the China Interbank Bond Market ("**CIBM**") (including via Bond Connect) or any other Chinese Regulated Market or in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the Science and Technology Innovation Board ("**STAR Board**") of the Shanghai Stock Exchange and the ChiNext Market of the Shenzhen Stock Exchange ("**ChiNext**") unless disclosed in its investment objective and investment policy;
- (l) update to investment exclusion disclosures and to provide that further information related to the sustainability investment limits and exclusion list of Funds that are authorised as ESG Funds in Hong Kong will be accessible via <https://www.schroders.com/en/lu/private-investor/gfc>¹;
- (m) enhancement of risk disclosures (e.g. credit risk) and addition of risk factors (e.g. risks associated with the small and medium enterprise board, the STAR Board and/or ChiNext market);
- (n) update of the profile of the directors of the Management Company; and
- (o) other clarifications, miscellaneous updates, changes and editorial amendments.

Save as disclosed above, the Company confirms that in relation to the amendments or changes set out above:

- there are no changes to how the Funds are managed;
- the investment style, investment philosophy and risk profile of the Funds remain the same; and
- the fees chargeable in respect of the Funds as stated in the Hong Kong Offering Documents remain the same.

The revised Hong Kong Offering Documents are available free of charge at www.schroders.com.hk² 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.

² This website has not been reviewed by the SFC.

Appendix

1. Asian Bond Total Return, Emerging Markets Debt Absolute Return, Emerging Markets Multi-Asset, Hong Kong Dollar Bond and Multi-Asset Growth and Income – Clarification of investment policy

The investment policy of each of the Funds has been clarified to provide that the Fund may invest in mainland China through CIBM via CIBM Direct in addition to Bond Connect. For the avoidance of doubt, there is no change to the existing onshore China exposure of each of the Funds.

2. Asian Bond Total Return, Asian Local Currency Bond, Emerging Markets Debt Absolute Return, Emerging Markets Multi-Asset, EURO Bond, EURO Corporate Bond, EURO Liquidity, Global Bond, Global Corporate Bond, Global Credit Income, Global High Yield, Global Inflation Linked Bond, Global Multi-Asset Income, Global Target Return, Hong Kong Dollar Bond, Multi-Asset Growth and Income, Strategic Bond, Sustainable Multi-Asset Income, US Dollar Bond and US Dollar Liquidity – Enhancement of investment policy in respect of insurance-linked securities (“ILS”) and/or ILS-related products

The investment policy of each of the Funds has been enhanced to provide that each of the Funds may invest up to 10% of its respective Net Asset Value in 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 Funds will not invest in ILS issued in Hong Kong and their repackaged products and derivatives.

3. EURO Bond, Global Corporate Bond, Global Credit Income, Global High Yield, and US Dollar Bond – Update to the name of the relevant benchmarks

The target benchmark of each of the Funds (except for Global Credit Income which are the comparator benchmarks) has been updated to remove “Barclays” from “Bloomberg Barclays” from the name of the benchmark to reflect the rebranding of the benchmark providers. For the avoidance of doubt, there is no change to the actual benchmark of each of the Funds.

4. Euro Corporate Bond – Update to the name of the target benchmark

The name of the target benchmark of the Fund has been updated from “ICE Bank of America Merrill Lynch Euro Corporate index” to “ICE BofA Merrill Lynch Euro Corporate index”. For the avoidance of doubt, there is no change to the actual target benchmark of the Fund.

5. Global Multi-Asset Income, Multi-Asset Growth and Income and Sustainable Multi-Asset Income – Clarification of investment policy

The investment policy of each of the Funds has been clarified by removing “at least two-thirds of its assets” from the disclosures regarding the Funds’ investment through derivatives as the disclosures are considered to be redundant for multi-asset funds. For the avoidance of doubt, there is no change to the Funds’ investment policy.

6. Emerging Markets Multi-Asset, Global Multi-Asset Income, Global Target Return, Multi-Asset Growth and Income and Sustainable Multi-Asset Income – Clarification of investment policy

The investment policy of each of the Funds has been clarified to provide that total return swaps and contracts for difference aimed to be used 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. For the avoidance of doubt, there is no change to the existing practice (including the net derivative exposure) of each of the Funds.

7. EURO Bond, Global Inflation Linked Bond and Strategic Bond – Clarification of investment policy

The investment policy of each of the Funds has been clarified by removing the disclosures related to the use of total return swaps. For the avoidance of doubt, there is no change to the existing practice (including the net derivative exposure) of each of the Funds.

8. Global Sustainable Food and Water – Clarification of investment policy

The Fund invests at least 75% of its assets in sustainable investments which are equity and equity related securities of companies worldwide that the Investment Manager expects to contribute towards the provision of sustainable food and water including water management, agricultural equipment, agricultural inputs, food production, processing, packaging and distribution, food and water retail and recycling. The investment policy of the Fund has been clarified to provide that such companies have at least 50% of their revenue contributing towards the provision of sustainable food and water activities through their efforts to drive positive change across at least one of the five key sustainability areas of greenhouse gas emissions, water usage, biodiversity, physical pollution and waste, and health and nutrition.

9. Global Target Return – Clarification of investment policy

The investment policy of the Fund has been clarified to provide that the Fund will have limited Renminbi denominated underlying investments.

10. Asian Bond Total Return, Asian Local Currency Bond, Emerging Markets Debt Absolute Return, EURO Bond, EURO Liquidity, Global Bond, Global Credit Income, Global High Yield, Global Target Return, Hong Kong Dollar Bond, Strategic Bond and US Dollar Liquidity – Update to the investment policies in respect of investment in debt instruments issued by financial institutions with loss-absorption features (“LAPs”)

The investment policy of each of the Funds has been updated to provide that the Fund may invest in LAPs (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), subject to the relevant maximum exposure as disclosed in the Hong Kong Offering Documents. For the avoidance of doubt, there is no change to the existing maximum exposure of each of the Funds to LAPs.

此乃重要函件，務請閣下垂閱。閣下如對本函件的內容有任何疑問，應尋找獨立專業的意見。施羅德環球基金系列的管理公司 **Schroder Investment Management (Europe) S.A.** 就本函件所載資料之準確性承擔全部責任，並在作出一切合理查詢後確認，盡其所知所信，本函件並無遺漏足以令本函件的任何陳述具誤導成分的其他事實。

親愛的股東：

施羅德環球基金系列

我們茲致函通知閣下，以下對本公司及其子基金（「基金」）的香港發售文件（包括本公司的發行章程和香港說明文件及基金的產品資料概要（「香港發售文件」））作出的更改或更新。

本函件中未有界定的任何用詞與發行章程的用詞具有相同涵義。

I. 更改環球氣候變化策略的可持續基準

環球氣候變化策略的可持續基準已由「MSCI World (Net TR) index」更改為「MSCI All Country World (Net TR) index」，以與比較基準符合一致，基金從而可根據投資經理的評級系統，將總體減排量水平維持高於 MSCI All Country World (Net TR) index。

II. 更改亞洲債券的投資政策

亞洲債券的投資政策已作出更新，以規定基金對總回報掉期的總投資將不超過基金資產淨值的 20%（過往為 60%），以及預期範圍已由基金資產淨值的「0-30%」縮減至「0%-5%」。同時亦已作出澄清，規定目標是在包括但不限於經濟增長放緩及利率下跌期間，以及投資經理認為主權利差溢價將壓縮的情況等市況下暫時利用總回報掉期。為免生疑問，基金的現有慣例（包括衍生工具風險承擔淨額）並無變更。

III. 基金的投資政策的加強披露／澄清

若干基金的投資政策已作出加強披露或澄清。有關修訂的詳情，請參閱附錄。

IV. 雜項更新／更改

香港發售文件亦已作出額外更改，包括以下各項：

- (a) 加強有關(i)擁有環境及／或社會特色（具 SFDR 第 8 條的涵義）或擁有可持續投資目標（具 SFDR 第 9 條的涵義）的每隻基金的該等特色或目標資料的 SFDR 合約前披露；(ii)對 SFDR 項下的主要不利影響的考慮及(iii)分類規例的披露；
- (b) 加強披露，以規定當基金表示至少將其資產某特定百分比投資於(i)根據 SFDR 界定的可持續投資；或(ii)實現基金推廣的環境或社會特色，該百分比在特殊情況下可能會被暫時違反，例如當投資經理認為符合基金及其股東的最佳利益，可以將基金之投資調整，以應付不利的市況及／或經濟狀況及／或預期波動；
- (c) 澄清交易安排／認購、贖回、暫停及順延的程序，以反映現有慣例；
- (d) 加強有關股東大會程序的披露；
- (e) 澄清處理清盤收益的安排，即在盧森堡法律規定期限（三十年）內尚未領取的保管款項將成為盧森堡大公國的財產；
- (f) 澄清估值基礎是工具可信的市場價值，或如未能提供該價值，則是使用具足夠認可方法決定的定價模式；
- (g) 加強披露，以澄清投資管理費（稱為年度管理費）乃參照基金的資產淨值或每股資產淨值（取適用者）於每個交易日累算並按月繳付；
- (h) 加強投資限制的披露，以規定在正常市況下，各基金不會為輔助性流動目的將其超過 20% 的淨資產投資於現金及即期存款（例如往來賬戶中持有的現金）。在特殊且不利的市況下（例如九一一襲擊事件或 2008 年雷曼兄弟的破產事件），如出於投資者利益理由，此限制可暫時被違反。為澄清起見，香港發售文件已作出加強披露，以規定在特殊情況下（例如：股災或重大危機），基金可暫時將其各自最多 100% 的資產淨值投資於諸如銀行存款、存款證、商業票據及國庫券等流動資產作現金流管理；
- (i) 澄清若基金的投資政策之目的是複製若干獲 CSSF 認可的股票或債券指數的組成成份，有關投資於同一組織發行的股票及／或債券的相關限額之投資限制；
- (j) 澄清可持續評分的披露並加強投資經理專屬可持續工具的披露；

- (k) 澄清投資限額，以規定基金將不會於中國銀行間債券市場（「中國銀行間債券市場」）（包括透過債券通）或任何其他中國受監管市場上交易的可轉讓證券或透過滬港通及深港通於中國 A 股及於上海證券交易所科創板（「科創板」）及深圳證券交易所創業板（「創業板」）上市的股份持有超過 5% 資產，除非在其「投資目標」及「投資政策」有所披露；
- (l) 更新投資排除披露，並規定有關可持續投資限制及於香港獲認可為 ESG 基金的基金排除名單的進一步資料可透過網站 <https://www.schroders.com/en/lu/private-investor/gfc>¹ 閱覽；
- (m) 加強風險披露（例如：信貸風險）及新增風險因素（例如：中小企業板、科創板及／或創業板市場的相關風險）；
- (n) 更新管理公司的董事簡介；及
- (o) 其他澄清、雜項更新、更改及編輯修訂。

除上文所披露外，本公司確認，就上文所載的修訂或更改而言：

- 基金的管理方式並無變更；
- 基金的投資風格、投資理念及風險概況維持不變；及
- 如香港發售文件所述就基金收取的費用維持不變。

經修訂的香港發售文件可於 www.schroders.com.hk² 免費查閱或向本公司香港代表人施羅德投資管理（香港）有限公司索取。

閣下如有任何疑問或需要更多資料，請聯絡閣下常用的專業顧問或香港代表人（地址為香港金鐘道 88 號太古廣場二座 33 字樓）或致電施羅德投資熱線電話(+852) 2869 6968 查詢。

董事會

謹啟

2023 年 4 月 26 日

¹ 此網站未經證監會審閱。

² 此網站未經證監會審閱。

附錄

1. 亞洲債券、新興市場債券、新興市場股債、港元債券和環球股債增長收息 – 澄清投資政策

各基金的投資政策已作出澄清，以規定基金除通過債券通外，亦可通過中國銀行間債券市場直接投資模式投資中國銀行間債券市場投資於中國內地。為免生疑問，各基金對現有中國境內的投資參與並無變更。

2. 亞洲債券、亞幣債券、新興市場債券、新興市場股債、歐元債券、歐元企業債券、歐元流動、環球債券、環球企業債券、環球收息債券、環球高收益、環球通貨膨脹連繫債券、環球股債收息、環球目標回報、港元債券、環球股債增長收息、策略債券、可持續發展股債收息、美元債券和美元流動 – 加強有關保險相連證券（「ILS」）及／或任何 ILS 相關產品的投資政策的披露

各基金的投資政策已作出加強披露，以規定各基金可將其各自的資產淨值最多10%投資於在香港以外地區發行的 ILS（例如災難債券）及／或任何 ILS 相關產品（例如其收益與任何 ILS 表現掛鈎的衍生工具或結構性產品及其投資目標或主要投資策略是投資於 ILS 的集體投資計劃）。為免生疑問，基金不會投資於在香港發行的 ILS 及其重新包裝的產品及衍生工具。

3. 歐元債券、環球企業債券、環球收息債券、環球高收益和美元債券 – 更新相關基準的名稱

各基金的目標基準（除就環球收息債券而言為比較基準外）已作出更新，以在基準的名稱中從「Bloomberg Barclays」移除「Barclays」，以反映基準提供商的品牌重塑。為免生疑問，各基金的實際基準並無變更。

4. 歐元企業債券 – 更新目標基準的名稱

基金的目標基準名稱已由「ICE Bank of America Merrill Lynch Euro Corporate index」更新為「ICE BofA Merrill Lynch Euro Corporate index」。為免生疑問，基金的實際目標基準並無變更。

5. 環球股債收息、環球股債增長收息和可持續發展股債收息 – 澄清投資政策

各基金的投資政策已透過從有關基金通過衍生工具投資的披露中移除「將最少三分之二的資產」而作出澄清，因為有關披露對於多元化資產基金而言被視為多餘。為免生疑問，基金的投資政策並無變更。

6. 新興市場股債、環球股債收息、環球目標回報、環球股債增長收息和可持續發展股債收息 – 澄清投資政策

各基金的投資政策已作出澄清，以規定目標是在包括但不限於全球經濟增長擴大及通脹上升或地緣政治風險加劇期間，或預期信貸息差在經濟增長放緩、利率上升或地緣政治風險加劇期間擴大的情況等市況下暫時利用總回報掉期及差價合約。為免生疑問，各基金的現有慣例（包括衍生工具風險承擔淨額）並無變更。

7. 歐元債券、環球通貨膨脹連繫債券和策略債券 – 澄清投資政策

各基金的投資政策已透過移除有關利用總回報掉期的披露而作出澄清。為免生疑問，各基金的現有慣例（包括衍生工具風險承擔淨額）並無變更。

8. 環球可持續食品及水資源 – 澄清投資政策

基金將其至少 75%的資產投資於可持續投資，即投資經理預期對於全球各地提供可持續食品及水資源（包括水資源管理、農業設備、農業投入品、食品的生產、加工、包裝和分銷、食品及水資源的零售和回收）有貢獻的公司的股本和股本相關證券。基金的投資政策已作出澄清，以規定該等公司透過致力在溫室氣體排放、用水、生物多樣性、物理污染和廢物，以及健康和營養等五個關鍵可持續範疇中至少一個範疇推動正面改變而將其至少 50% 的收入貢獻於提供可持續食品及水資源活動。

9. 環球目標回報 – 澄清投資政策

基金的投資政策已作出澄清，以規定基金將有限度地投資於以人民幣定值的相關投資項目。

10. 亞洲債券、亞幣債券、新興市場債券、歐元債券、歐元流動、環球債券、環球收息債券、環球高收益、環球目標回報、港元債券、策略債券和美元流動 – 更新有關投資於由金融機構發行且具虧損吸收特性的債務工具（「具虧損吸收特性的債務工具」）的投資政策

各基金的投資政策已作出更新，以規定基金可投資於具虧損吸收特性的債務工具（例如：由金融機構的控股公司發行的或有可轉換債券、額外一級、一級及二級資本票據、高級非優先票據、高級及後償債券），並須受限於香港發售文件所披露的最高投資限制。為免生疑問，各基金對具虧損吸收特性的債務工具的現有最高投資參與並無變更。