

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.

27 September 2021

Dear Shareholder,

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

We are writing to advise you that the Fund will incorporate binding environmental and/or social characteristic(s), within the meaning of Article 8 of the Sustainable Finance Disclosure Regulation (“SFDR”) with effect from 29 October 2021 (the “Effective Date”). Details of the Fund’s environmental and/or social characteristics and how it seeks to achieve them will be disclosed in the Fund’s investment policy and under a new section called “Sustainability Criteria” in the Fund Characteristics section of the prospectus. Note that the target benchmark and comparator benchmark(s) will not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund. Specific risk considerations in relation to SFDR will also be added to the prospectus.

In addition, there has been a change to the Fund’s comparator benchmark, i.e. a new comparator benchmark has been added for the Fund.

Rationale

We believe that incorporating sustainability factors into the Fund’s strategy aligns with the increasing desire among investors to put their money into investments that can clearly demonstrate their sustainability credentials.

Investment Policy Change

From the Effective Date the following will be added to the Fund’s investment policy which is contained in Schroder International Selection Fund (the “Company”)'s Hong Kong offering documents (comprising the prospectus, Hong Kong Covering Document and Product Key Facts Statement of the Fund):

“The Fund maintains a higher overall sustainability score than the S&P Small Cap 600 Lagged (Net TR) Index, based on the Investment Manager’s rating criteria. More details on the investment process used to achieve this can be found in the Fund Characteristics section.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability Information” on the Fund’s webpage, accessed via www.schroders.com/en/lu/private-investor/gfc¹

SFDR Sustainability Criteria

From the Effective Date the following section will be added to the Fund’s details in the Company’s prospectus to detail how it will seek to achieve the Fund’s environmental and/or social characteristics:

“The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Companies in the investment universe are assessed on their governance, environmental and social profile, across a range of factors.

The Investment Manager performs its own due diligence on potential holdings including, where possible, meetings with senior management. The Investment Manager analyses information provided by the companies, including information provided in company sustainability reports and other relevant company material. The Investment Manager will also scrutinise other disclosures, including third party reports, and will typically engage with the company during the assessment process and afterwards if the company is selected for the portfolio.

This assessment is supported by quantitative analysis from Schroders’ proprietary sustainability tools. Through such tools, analysts are able to compare companies based on the metrics selected, their own company assessment scores or adjusted rankings (size, sector or region), with the flexibility to make company specific adjustments to reflect their detailed knowledge.

More details on the Investment Manager’s approach to sustainability and its engagement with companies are available on the website www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures².

The Investment Manager ensures that at least:

- 90% of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

held in the Fund’s portfolio are rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.”

For the avoidance of doubt, the Fund is not classified as an environmental, social and governance fund in Hong Kong.

¹ For Hong Kong investors, please refer to the following website: <https://www.schroders.com/en/hk/retail-investors/funds/fund-centre> (this website has not been reviewed by the SFC).

² For Hong Kong investors, please refer to the following website: <https://www.schroders.com/en/hk/retail-investors/sustainability/making-an-impact-through-sustainability> (this website has not been reviewed by the SFC).

New Comparator Benchmark

A new comparator benchmark, the S&P Small Cap 600 Lagged (Net TR) index, has been added for the Fund in the Company's Hong Kong offering documents. As such, the Fund's performance should be assessed against its target benchmark being to exceed the Russell 2000 Lagged (Net TR) index and compared against the Morningstar US Small-Cap Equity Category and the S&P Small Cap 600 Lagged (Net TR) index.

All other key features of the Fund will remain the same.

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.hk³ or upon request from the Hong Kong Representative of the Company, Schroder Investment Management (Hong Kong) Limited.

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 authorized by the Securities and Futures Commission ("SFC")⁴ before the relevant changes to the Fund, other than the addition of new comparator benchmark, become effective, you may do so at any time up to and including the dealing cut-off at 5:00 p.m. Hong Kong time on **28 October 2021**. 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 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 **28 October 2021**.

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.

The Board of Directors

³ This website has not been reviewed by the SFC.

⁴ 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.

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，應尋找獨立專業顧問的意見。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 - 美國小型公司（「本基金」）

我們茲致函通知閣下，本基金將由2021年10月29日（「生效日」）起納入具約束力的環境及／或社會特色（具可持續金融披露條例（「SFDR」）第8條的涵義）。本基金的環境及／或社會特色及達致有關特色的方法之詳情將於本基金的投資政策及發行章程基金特色一節下稱為「可持續標準」的新一節內予以披露。請注意，目標基準及比較基準將不會考慮本基金的環境及社會特色或可持續目標（如相關）。與SFDR相關的特定風險考慮亦將新增至發行章程。

此外，本基金的比較基準已更改，即本基金已增設新的比較基準。

原因

我們認為，本基金的策略納入可持續性因素可與投資者將其金錢投放至可清晰展示其可持續性憑證的投資的意願符合一致。

投資政策更改

由生效日起，本基金載於施羅德環球基金系列（「本公司」）香港發售文件（包括發行章程、香港說明文件及產品資料概要）內的投資政策將新增以下內容：

「根據投資經理的評分標準，本基金比 S&P Small Cap 600 Lagged (Net TR) Index 維持較高的整體可持續評分。有關達致此目的所使用的投資過程，詳情請見基金特色一節。

本基金不會直接投資於超過本基金網頁「可持續資訊」中所列限制之若干活動、行業或某類發行人，詳見本基金網頁 www.schroders.com/en/lu/private-investor/gfc¹。」

SFDR可持續標準

由生效日起，本基金發行章程內的本基金詳情將新增以下一節，以詳述本基金尋求達致環境及／或社會特色的方法：

「投資經理在為本基金選擇投資時採用管治及可持續標準。

在投資領域內的公司將根據其管治、環境及社會概況，及一系列的因素進行評估。

投資經理就潛在的持股進行盡職調查，包括（如可行）與高級管理層進行會議。投資經理分析由各公司提供的資訊，包括在公司可持續報告提供的資訊及其他相關公司資料。投資經理亦會詳細檢視其他披露資訊，包括第三方報告，而倘某公司被選為投資組合，投資經理通常會在評估過程期間及之後與該公司交流。

此項評估由施羅德專屬的可持續工具的量化分析所支持。透過該等工具，分析員能夠根據所選擇的指標、各公司本身的評估得分或經調整的評級（規模、界別或地區）比較各公司，並可靈活地作出公司特定的調整，以反映其詳盡的知識。

有關投資經理對可持續性所採取的方法，以及其與各公司交流的詳情，請參閱網站 www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures²。

投資經理確保本基金的投資組合中，至少下述的投資將按照可持續標準評級：

- 90%之於已發展國家註冊之大型公司所發行的股票；具投資信貸評級的定息和浮息證券及貨幣市場工具；及已發展國家所發行的主權債務；和
- 75%之於新興國家註冊之大型公司所發行的股票；中小型公司所發行的股票；具高收益信貸評級的定息和浮息證券及貨幣市場工具；及新興國家所發行的主權債務。

¹ 香港投資者請參閱網站：<https://www.schroders.com/zh-hk/hk/retail-investors/funds/fund-centre/>（此網站未經證監會審閱）。

² 香港投資者請參閱網站：<https://www.schroders.com/zh-hk/hk/retail-investors/sustainability/making-an-impact-through-sustainability/>（此網站未經證監會審閱）。

此處所稱小型公司是指市值低於 50 億歐元的公司，中型公司是指市值在 50 億歐元至 100 億歐元間的公司，大型公司是指市值在 100 億歐元以上公司。」

為免生疑問，本基金在香港並無被分類為環境、社會及管治基金。

新的比較基準

新的比較基準（S&P Small Cap 600 Lagged (Net TR) index）已就本基金加入本公司的香港發售文件。因此，本基金的表現應按其目標基準評估，即超過Russell 2000 Lagged (Net TR) index及與Morningstar US Small-Cap Equity Category 及S&P Small Cap 600 Lagged (Net TR) index作比較。

本基金的所有其他主要特點將維持不變。

本公司的香港發售文件將作出修訂，以反映上述變更，並將可於www.schroders.com.hk³ 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。

將閣下的股份贖回或轉換至其他施羅德基金

我們希望在此等更改後，閣下仍將選擇投資於本基金，但如閣下有意在本基金的有關更改（增設新的比較基準除外）生效前將閣下在本基金的持股贖回或轉換至本公司其他獲證券及期貨事務監察委員會（「證監會」）認可⁴ 的子基金，則閣下可於 2021 年 10 月 28 日（包括該日在內）下午 5 時正（香港時間）交易截止時間前任何時間進行有關贖回或轉換。請確保閣下的贖回或轉換指示於此截止時間前送抵香港代表人。我們將根據本公司的香港發售文件的條款免費執行閣下的贖回或轉換指示，惟在某些國家，當地付款代理人、往來銀行或類似代理人可收取交易費用。當地代理人亦可實施一個較上述時間為早的當地交易截止時間，故請與該等代理人確定，以確保閣下的指示可於 2021 年 10 月 28 日下午 5 時正（香港時間）交易截止時間前送抵香港代表人。

³ 此網站未經證監會審閱。

⁴ 證監會的認可並非對計劃作出推薦或認許，亦非對計劃的商業利弊或其業績表現的保證。證監會的認可不表示計劃適合所有投資者，或認許計劃適合任何特定投資者或某類別投資者。

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

2021 年 9 月 27 日