

**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.**

**10 October 2022**

Dear Shareholder,

## **Schroder International Selection Fund (the "Company") - Change in delegation arrangement and other updates**

### **Change in delegation arrangement**

We are writing to inform you of a change in delegation arrangement of the funds of the Company which are authorised by the Securities and Futures Commission of Hong Kong (the "**SFC**")<sup>1</sup>, as set out in Appendix 2 (each an "**SISF SFC-Authorised Fund**").

As disclosed in the Prospectus of the Company, each investment manager may appoint one or more other Schroders group companies, at its own expense and responsibility, to manage all or part of the assets of a fund or to provide recommendations or advice on any part of the investment portfolio (each a "**Sub-Investment Manager**"). Any Sub-Investment Manager appointed by an investment manager may, in turn, appoint another Schroders group entity (each a "**Sub-Delegate**") to manage all or part of a fund's assets, subject to the prior written consent of the investment manager.

Currently, as disclosed in the Hong Kong offering documents of the Company, the investment managers of certain funds of the Company (each a "**Relevant Fund**"), at their own expense and responsibility, have allocated the investment management of certain proportion of the assets of the Relevant Funds to the Sub-Investment Managers. Details of the current arrangement of the Relevant Funds are set out in Appendix 1.

With effect from 11 November 2022, each investment manager may delegate discretionary investment management of the SISF SFC-Authorised Funds to one or more of the Sub-Investment Manager(s) as listed below. Each Sub-Investment Manager(s) may in turn, appoint one or more

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<sup>1</sup> 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.

Sub-Delegate(s) as listed below to manage all or part of the assets of the SISF SFC-Authorised Funds. As a global asset management group, the proposed arrangement will enable Schroders to leverage on the expertise of the different investment management entities and utilise investment management resources within the Schroders group more efficiently.

The management company, investment manager, Sub-Investment Managers and Sub-Delegates are all companies within Schroders group. The list of the Sub-Investment Managers and the Sub-Delegates (the “**List**”) is as follows:

<b>Sub-Investment Managers / Sub-Delegates</b>
Schroder Investment Management (Hong Kong) Limited
Schroder Investment Management (Singapore) Ltd
Schroder Investment Management North America Inc.
Schroder Investment Management Limited
Schroder Investment Management Australia Limited
Schroder Investment Management (Japan) Limited
Schroder Investment Management (Europe) S.A. – German Branch

Notwithstanding the proposed arrangement described above, it is not the current intention that Schroder Investment Management (Japan) Limited will appoint Schroder Investment Management (Singapore) Ltd to manage all or part of the assets of any SISF SFC-Authorised Fund, and vice versa.

Under the proposed arrangement, the entities set out in the List above may be appointed or removed as the Sub-Investment Manager(s) or Sub-Delegate(s) of one or more of the SISF SFC-Authorised Funds from time to time without any further notice to Shareholders. The List will be disclosed in the Company's Hong Kong offering document and any change to the List will be updated as soon as reasonably practicable. The list of the latest Sub-Investment Manager(s) and Sub-Delegate(s) of the SISF SFC-Authorised Funds will no longer be disclosed in the Hong Kong offering documents, but will be provided to Shareholders on request and shall be further disclosed in the Company's periodic reports, i.e. the audited annual reports and unaudited half-yearly reports of the Company.

Any addition or removal of entities to or from the List shall be subject to all applicable legal and regulatory requirements and the prior approval of the SFC. Shareholders will be given one month's prior notice in the case of any such addition of entities to the List and will be notified as soon as reasonably practicable in the case of any removal of the entities from the List.

Save as disclosed above, all other key features of the SISF SFC-Authorised Funds will remain the same and there will be no change to the risks applicable to the SISF SFC-Authorised Funds. There will be no change to the current fees and expenses payable to or borne by the SISF SFC-Authorised Funds or Shareholders. Save as disclosed above, there will be no change to the operation and/or manner in which the SISF SFC-Authorised Funds are being managed as a result of the proposed arrangement. The proposed arrangement will not have any material effect on Shareholders of

the SISF SFC-Authorised Funds. The proposed change is not expected to materially prejudice the rights or interests of existing investors.

Upon the proposed arrangement takes effect, the management company of the Company shall continue to have ongoing oversight and regular monitoring of the competence of its delegates to ensure that its accountability to Shareholders is not diminished. Although the investment management function of the management company may be delegated to the investment manager(s), Sub-Investment Manager(s), and/or Sub-Delegate(s), the management company's responsibilities and obligations will not be delegated.

### **Costs and expenses in respect of the change in delegation arrangement**

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

### **Options available to investors**

We hope that you will choose to remain invested in the SISF SFC-Authorised Funds following the change in the delegation arrangement as set out above, but if you do wish to redeem your holding in the SISF SFC-Authorised Funds before the change becomes 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 **10 November 2022**. Please ensure that your redemption instruction reaches the Hong Kong Representative before this deadline. We will execute your redemption 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 **10 November 2022**.

### **Other miscellaneous updates**

Currently, various SISF SFC-Authorised Funds as set out in Appendix 3 do not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability Information" on the SISF SFC-Authorised Fund's webpage (<https://www.schroders.com/en/hk/retail-investors/funds/fund-centre/><sup>2</sup>). From the date of this notice, the above information would be published on [www.schroders.com/en/lu/private-investor/gfc](https://www.schroders.com/en/lu/private-investor/gfc)<sup>3</sup>.

### **Updates to Hong Kong offering documents**

The Hong Kong offering documents of the Company will be revised to reflect the above changes / updates and will be available free of charge at [www.schroders.com.hk](https://www.schroders.com.hk)<sup>4</sup> or upon request from the Hong Kong Representative of the Company, Schroder Investment Management (Hong Kong) Limited.

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

<sup>3</sup> This website has not been reviewed by the SFC.

<sup>4</sup> This website has not been reviewed by the SFC.

## **Enquiries**

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**

## Appendix 1

<b>Relevant Fund</b>	<b>Investment Manager</b>	<b>Sub-Investment Manager(s)</b>
Emerging Markets Multi-Asset	Schroder Investment Management Limited	Schroder Investment Management (Hong Kong) Limited
		Schroder Investment Management (Singapore) Ltd
EURO Bond	Schroder Investment Management Limited	Schroder Investment Management North America Inc.
		Schroder Investment Management (Singapore) Ltd
EURO Corporate Bond	Schroder Investment Management (Europe) S.A. – German Branch	Schroder Investment Management Limited
Global Bond	Schroder Investment Management Limited	Schroder Investment Management North America Inc.
		Schroder Investment Management (Singapore) Ltd
Global Corporate Bond	Schroder Investment Management North America Inc.	Schroder Investment Management Limited
		Schroder Investment Management (Hong Kong) Limited
Global Credit Income	Schroder Investment Management Limited	Schroder Investment Management North America Inc.
		Schroder Investment Management (Hong Kong) Limited
Global High Yield	Schroder Investment Management North America Inc.	Schroder Investment Management Limited
		Schroder Investment Management (Hong Kong) Limited

Global Inflation Linked Bond	Schroder Investment Management Limited	Schroder Investment Management (Singapore) Ltd
Global Multi-Asset Income	Schroder Investment Management Limited	Schroder Investment Management North America Inc.
		Schroder Investment Management (Singapore) Ltd
Global Smaller Companies	Schroder Investment Management Limited	Schroder Investment Management North America Inc.
Global Target Return	Schroder Investment Management Australia Limited	Schroder Investment Management Limited
		Schroder Investment Management North America Inc.
Multi-Asset Growth and Income	Schroder Investment Management Limited	Schroder Investment Management North America Inc.
Strategic Bond	Schroder Investment Management Limited	Schroder Investment Management North America Inc.
		Schroder Investment Management (Singapore) Ltd
Sustainable Multi-Asset Income	Schroder Investment Management Limited	Schroder Investment Management North America Inc.

## Appendix 2

### SISF SFC-Authorised Funds

1. All China Equity
2. Asian Bond Total Return
3. Asian Dividend Maximiser
4. Asian Equity Yield
5. Asian Local Currency Bond
6. Asian Opportunities
7. Asian Smaller Companies
8. Asian Total Return
9. BRIC (Brazil, Russia, India, China)
10. China Opportunities
11. Emerging Asia
12. Emerging Europe
13. Emerging Markets
14. Emerging Markets Debt Absolute Return
15. Emerging Markets Multi-Asset
16. EURO Bond
17. EURO Corporate Bond
18. EURO Equity
19. EURO Government Bond
20. EURO Liquidity
21. EURO Short Term Bond
22. European Dividend Maximiser
23. European Large Cap
24. European Smaller Companies
25. European Sustainable Equity
26. European Value
27. Frontier Markets Equity
28. Global Bond
29. Global Cities
30. Global Climate Change Equity
31. Global Corporate Bond
32. Global Credit Income
33. Global Dividend Maximiser
34. Global Emerging Market Opportunities
35. Global Energy
36. Global Equity
37. Global Equity Alpha
38. Global Equity Yield
39. Global Gold
40. Global High Yield
41. Global Inflation Linked Bond
42. Global Multi-Asset Income
43. Global Smaller Companies
44. Global Sustainable Food and Water
45. Global Sustainable Growth
46. Global Target Return
47. Greater China

48. Healthcare Innovation
49. Hong Kong Dollar Bond
50. Hong Kong Equity
51. Indian Equity
52. Japanese Equity
53. Japanese Opportunities
54. Japanese Smaller Companies
55. Latin American
56. Multi-Asset Growth and Income
57. QEP Global Active Value
58. QEP Global Quality
59. Strategic Bond
60. Sustainable Asian Equity
61. Sustainable Multi-Asset Income
62. Taiwanese Equity
63. UK Equity
64. US Dollar Bond
65. US Dollar Liquidity
66. US Large Cap
67. US Small & Mid Cap Equity
68. US Smaller Companies Impact



### Appendix 3

1. Asian Dividend Maximiser
2. Asian Equity Yield
3. Asian Local Currency Bond
4. Asian Opportunities
5. Asian Smaller Companies
6. Asian Total Return
7. BRIC (Brazil, Russia, India, China)
8. China Opportunities
9. Emerging Markets
10. Emerging Markets Debt Absolute Return
11. Emerging Markets Multi-Asset
12. EURO Bond
13. EURO Corporate Bond
14. European Dividend Maximiser
15. EURO Equity
16. EURO Government Bond
17. European Large Cap
18. EURO Short Term Bond
19. European Smaller Companies
20. Global Bond
21. Global Corporate Bond
22. Global Credit Income
23. Global Emerging Market Opportunities
24. Global Equity
25. Global High Yield
26. Global Inflation Linked Bond
27. Global Multi-Asset Income
28. Global Smaller Companies
29. Global Target Return
30. Japanese Equity
31. Japanese Opportunities
32. Japanese Smaller Companies
33. Multi-Asset Growth and Income
34. QEP Global Quality
35. UK Equity
36. US Dollar Bond
37. US Small & Mid Cap Equity

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**12 July 2022**

Dear Shareholder,

**Schroder International Selection Fund (the "Company") – Global Climate Change Equity (the "Fund")**

We are writing to inform you that on 16 August 2022 (the "**Effective Date**"), the investment policy of the Fund will change (i) to permit investment in China B-Shares and China H-Shares, and (ii) to increase its exposure to China A-Shares such that it may invest up to 10% (previously up to 5%) of its assets (on a net basis) directly or indirectly (for example via participatory notes) 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. The Fund does not currently intend to invest (i) more than 10% of its Net Asset Value in China A-Shares via Stock Connect, the STAR Board and the ChiNext market and (ii) more than 10% of its Net Asset Value directly or indirectly in China A-Shares and China B-Shares.

**Background and rationale**

In recent years China has increased as a proportion of the Fund's comparator benchmark, which is used for performance and sustainability comparison purposes, and increased exposure is required in order to take larger positions.

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.hk](http://www.schroders.com.hk)<sup>1</sup> or upon request from the Hong Kong Representative of the Company, Schroder Investment Management (Hong Kong) Limited.

Save as disclosed above, all other key features of the Fund, including its investment objective and policy, risk and return profile and fees, will remain the same.

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

### **Redeeming or switching your shares to another Schroders 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")<sup>2</sup> 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 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**

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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.**

**21 December 2021**

Dear Shareholder,

## **Schroder International Selection Fund (the "Company") – Change of depositary and administrator**

We are writing to inform you of a change of depositary and administrator of the Company and its sub-funds including those which are authorised by the Securities and Futures Commission ("**SFC**")<sup>1</sup> as set out in the Appendix A to this letter ("**Funds**").

### **Internal Restructuring of the Depositary and Administrator of the Company and the Funds**

Currently, J.P. Morgan Bank Luxembourg S.A. ("**JPMBL**") is the Depositary and Administrator of the Company and the Funds. JPMBL and its affiliates are collectively referred to as "JPMorgan" in this letter.

As part of an internal restructuring with the aim to streamline JPMorgan's banking entity structure across Europe, three banking entities in the JPMorgan group domiciled respectively in Germany, Luxembourg and Ireland and their branches across the region will be merged into a single European bank ("**Merger**"). The Merger requires the approval by the sole shareholder of the merging entities (i.e. J.P. Morgan International Finance Limited), which has been obtained in the end of November 2021. The date when the Merger takes legal effect will be the date on which the local court of Frankfurt registers the Merger in the commercial register (the "**Effective Date**"), which is expected to be on or around 22 January 2022.

JPMBL will be one of the impacted legal entities of the Merger. In particular, the Merger will involve JPMBL merging into J.P. Morgan AG, which in turn will simultaneously change its legal form from a German Stock Corporation (*Aktiengesellschaft*) to a European company (*Societas Europaea*) known as J.P. Morgan Societas Europaea ("**JPMSE**") organised under the laws of Germany with registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany and registered with the commercial register of the local court of Frankfurt under number HRB 16861. It will be a credit institution subject to direct prudential supervision by the European Central Bank (ECB), the German Federal Financial Supervisory Authority

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<sup>1</sup> 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.

(*Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin) and Deutsche Bundesbank, the German Central Bank. All of JPMBL's assets and liabilities will be transferred to the Luxembourg Branch of JPMSE, which will operate as J.P. Morgan SE – Luxembourg Branch ("**JPMSE Luxembourg**").

We will notify you separately if there is any change in the Effective Date or any other material changes to the Merger.

The Commission de Surveillance du Secteur Financier ("**CSSF**") is the financial regulator in Luxembourg where the Company is domiciled and has been notified of the Merger. JPMSE Luxembourg is authorised by the CSSF to act as a depositary and fund administrator for Luxembourg undertakings for collective investment. The CSSF has confirmed no objection to JPMSE Luxembourg assuming the role of Depositary and Administrator of the Company and the Funds. JPMSE Luxembourg will be registered in the Luxembourg Trade and Companies' Register (RCS) under number B255938 and will be subject to the supervision of the home State supervisory authorities mentioned above, as well as local supervision by the CSSF.

On the Effective Date and in accordance with Luxembourg laws, JPMBL will cease to exist and the depositary and administration functions of JPMBL will transfer from JPMBL to JPMSE Luxembourg, and JPMSE Luxembourg will succeed JPMBL as the Depositary and Administrator of the Company and the Funds. JPMSE Luxembourg will assume all rights and obligations that JPMBL currently has under its existing agreements with the Company and accordingly the rights and obligations of the Company and the Funds with respect to the Depositary and Administrator will not be impacted. The business operations of JPMBL will be carried on without interruption by a locally fully passported, Luxembourg based branch of JPMSE (i.e. JPMSE Luxembourg) and the duties and obligations of JPMBL as stated in the Hong Kong offering documents and/or the constitutive documents of the Company and the Funds will be taken up by JPMSE Luxembourg as of the Effective Date. There will be no changes to the scope of services provided to the Company and the Funds, and no change in the level of fees payable by the Company and the Funds to the Depositary and Administrator. The address and contact details of the Depositary and Administrator will remain the same, and the personnel, functions and internal control measures of JPMSE Luxembourg will be substantially the same as those of JPMBL currently.

Save as disclosed above, there will be no other change in the operation or manner in which the Company and the Funds are being managed. There will be no impact on the features and risks applicable to the Company and the Funds. There will be no change to the fee level / cost in managing the Company and the Funds. The changes will not materially prejudice the shareholders' rights or interests. All costs (including the legal and other administrative costs) associated with the changes to the Company and the Funds above will be borne by Schroder Investment Management (Europe) S.A., the Company's management company.

The Hong Kong offering documents of the Company and the Funds will be revised to reflect the above change and will be available free of charge at [www.schroders.com.hk](http://www.schroders.com.hk)<sup>2</sup> or upon request from the Hong Kong Representative of the Company and the Funds, Schroder Investment Management (Hong Kong) Limited.

### **Options available to investors**

We hope that you will choose to remain invested in the Funds following these changes, but if you do wish to redeem your holding in the Funds before the changes become effective, you may do so at any time up

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

to and including the dealing cut-off at 5:00 p.m. Hong Kong time on 21 January 2022. Please ensure that your redemption instruction reaches the Hong Kong Representative before this deadline. We will execute your redemption instructions in accordance with the provisions of the Hong Kong offering documents of the Company and the Funds. 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 21 January 2022.

**Enquiries**

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

## **Appendix A**

1. All China Equity
2. Asian Bond Total Return
3. Asian Dividend Maximiser
4. Asian Equity Yield
5. Asian Local Currency Bond
6. Asian Opportunities
7. Asian Smaller Companies
8. Asian Total Return
9. BRIC (Brazil, Russia, India, China)
10. China Opportunities
11. Emerging Asia
12. Emerging Europe
13. Emerging Markets
14. Emerging Markets Debt Absolute Return
15. Emerging Markets Multi-Asset (formerly known as Emerging Multi-Asset Income)
16. EURO Bond
17. EURO Corporate Bond
18. EURO Equity
19. EURO Government Bond
20. EURO Liquidity
21. EURO Short Term Bond
22. European Dividend Maximiser
23. European Large Cap
24. European Smaller Companies
25. European Value
26. Frontier Markets Equity
27. Global Bond
28. Global Cities
29. Global Climate Change Equity
30. Global Corporate Bond
31. Global Credit Income
32. Global Dividend Maximiser
33. Global Emerging Market Opportunities
34. Global Energy
35. Global Equity Alpha
36. Global Equity
37. Global Equity Yield
38. Global Gold
39. Global High Yield
40. Global Inflation Linked Bond
41. Global Multi-Asset Income
42. Global Smaller Companies
43. Global Sustainable Growth
44. Global Target Return
45. Greater China
46. Hong Kong Dollar Bond
47. Hong Kong Equity
48. Indian Equity
49. Japanese Equity

- 50. Japanese Opportunities
- 51. Japanese Smaller Companies
- 52. Latin American
- 53. Middle East
- 54. Multi-Asset Growth and Income
- 55. QEP Global Active Value
- 56. QEP Global Quality
- 57. Strategic Bond
- 58. Taiwanese Equity
- 59. UK Equity
- 60. US Dollar Bond
- 61. US Dollar Liquidity
- 62. US Large Cap
- 63. US Small & Mid-Cap Equity
- 64. US Smaller Companies



***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 Limited, located in the United Kingdom, internal delegation		
<b>Depositary:</b>	J.P. Morgan Bank Luxembourg S.A.		
<b>Ongoing charges over a year:</b>	Class A EUR Acc	1.84%*	Class A USD Acc 1.84%*
	Class A EUR Hedged Acc	1.87%*	Class A1 USD Acc 2.34%*
	Class A1 EUR Hedged Acc	2.37%*	Class A HKD Acc 1.84%#
<b>Dealing frequency:</b>	Daily		
<b>Base currency:</b>	USD		
<b>Dividend policy:</b>	<p>A, A1 and D Accumulation share classes – Dividend will not be distributed but will be reinvested into the fund.</p> <p>A, A1 and D Distribution share classes – The board of directors generally has discretion as to whether or not to make any distribution.</p> <p>Distributions may be paid out of capital and reduce the fund's net asset value.</p>		
<b>Financial year end of this fund:</b>	31 December		
<b>Minimum investment:</b>	<p>A, A1 and D share classes: Initial – EUR1,000 or USD1,000 (or equivalent);</p> <p>Subsequent investment – EUR1,000 or USD1,000 (or equivalent)</p>		

\* The ongoing charges figure is based on the expenses for the year ended 31 December 2021. This figure may vary from year to year.

# The ongoing charges figure is estimated (because the share class is recently launched) based on the annualised expenses of a share class with the same fee structure over a 12-month period. The actual ongoing charges figure may be different from the estimate and may vary from year to year.

Note: As of the date of this document, Class D shares of the fund are not being offered to the public in Hong Kong.

## 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 by investing in equity and equity related securities of companies worldwide which the investment manager believes will benefit from efforts to accommodate or limit the impact of global climate change and which meet the investment manager's sustainability criteria.

### Investment Policy

The fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide which the investment manager believes will benefit from efforts to accommodate or limit the impact of global climate change.

The fund maintains a higher overall level of avoided emissions than MSCI World (Net TR) index, based on the investment manager's rating system. More details on the investment process used to achieve this can be found in the "Climate Change Strategy" section below.

The fund is not subject to any limitation on the portion of its net asset value that may be invested in any country (including emerging market countries), region or sector. The fund is not subject to any limitation on the market capitalisation of the companies that it may invest in.

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 from thermal coal, thermal coal power generation, oil sands/tar sands, oil and gas, shale oil, tobacco, controversial weapons, weapons and civilian firearms. The respective limits and exclusion list may be updated from time to time. For further information, please refer to the fund's webpage<sup>1</sup>.

The fund invests in companies that have good governance practices, as determined by the investment manager's rating criteria (please see the "Climate Change Strategy" section below for more details).

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 website<sup>2</sup>.

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.

It is the present intention of the investment manager to invest the fund heavily in sectors having a direct impact on efforts to mitigate or adapt to climate change, namely auto, renewable energy, utility, materials, and industrial sectors.

The fund may use derivatives with the aim of 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.

<sup>1</sup> Accessed via <https://www.schroders.com/en/hk/retail-investors/funds/fund-centre/> (this website has not been reviewed by the SFC).

<sup>2</sup> 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).

### Climate Change Strategy

The strategy looks for opportunities across a global and diverse opportunity set, providing a well-diversified portfolio of different companies across sectors linked to climate change. The strategy invests across five key climate change themes: energy efficiency, environmental resources, sustainable transport, clean energy and low-carbon leader.

The investment manager applies sustainability criteria when selecting investments for the fund.

The investment manager's first task in the process of stock selection is to determine a universe of companies from the global investment universe whose long-term business outlook, in its opinion, is impacted by efforts to mitigate or adapt to climate change. The investment manager has built a team process and supporting systems that draw on a range of inputs to identify companies where climate change is a significant positive to the business outlook.

Given rapidly changing business impacts, it is not possible to have simple percentage rules for the amount that a company is positively or negatively impacted by climate change. The overarching principle is that climate change must have a significant impact on the long-term business outlook for a stock to be included.

When assessing the significance of climate change on the long-term business outlook for a company, the investment manager considers the relevant impact on expected revenue growth, operating margin and capital intensity of the company and a company is assessed on a number of factors which include but are not limited to:

- If the company has significant direct industry exposure to climate change trends (mitigation - reducing greenhouse gas emissions through energy efficiency, renewable power, and cleaner vehicles; or adaptation those that are preparing for the impacts of climate change, for example water stress, coastal flooding, community health issues, or supply chain disruptions, among other issues).
- The proportion of business segments that are potentially exposed to climate change trends.
- If the company has significant investment and research and development spending related to the transition to a lower carbon economy.
- A product portfolio that takes into account the physical and transition risks posed by climate change.
- The impact on the company of rising carbon costs in the context of its industry and competitive environment.

The investment manager will then decide on a case by case basis whether a company is eligible for inclusion in the fund's investment universe, based on this assessment. In addition, the investment manager's environmental, social and governance ("ESG") analysis seeks to evaluate the materiality and impact of a range of ESG factors on the sustainability of future earnings growth and as potential risk factors that may affect a company's valuation. The investment manager's decision will focus on ratings in the areas that are most relevant to the particular business of that company.

The investment manager performs its own analysis of information provided by the companies, including information provided in company sustainability reports and other relevant company material. The research draws information from a wide variety of publicly available corporate information and company meetings, broker reports and outputs from industry bodies, research organisations, think tanks, legislators, consultants, NGOs and academics. Third party research is used as a secondary consideration, and generally provides a source of challenge or endorsement for the investment manager's proprietary view.

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.

For the purposes of this test (i.e. determination of the percentage of the fund's potential investment universe that has been excluded from the selection of investments), the potential investment universe is the core universe of issuers that the investment manager may select for the fund prior to the application of sustainability criteria, in accordance with the other limitations of the investment objective and policy. This universe is comprised of equity and equity related securities of companies worldwide.

#### Benchmark

The fund does not have a target benchmark. The fund's performance should be compared against the MSCI All Country World (Net TR) index. The comparator benchmark is only included for performance comparison purposes and does not have any bearing on how the investment manager invests the fund's assets. The fund's investment universe is expected to overlap materially with the components of the comparator 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 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 use of specific climate change criteria may also result in the fund being concentrated in certain companies and its value may be more volatile than that of 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:* The use of exclusions may affect the fund's investment performance and, as such, the fund may perform differently compared to similar funds that do not use such criteria. 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 (which may include providers for research, reports, exclusions, ratings and/or analysis such as index providers and consultants). Such information or data may be incomplete, inaccurate or inconsistent. As a result, there is a risk that the investment manager may make an assessment of a security or issuers based on incorrect information. 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 climate change 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. Concentrated sector**

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

### **4. 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.

### **5. 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.

### **6. Emerging and less developed markets**

The fund may invest in emerging and less developed markets. Investing in emerging and less developed markets is subject to greater risks than investing in securities of developed countries such as ownership and custody risks, political and economic risks, market and settlement risks, liquidity and volatility risk, legal and regulatory risks, execution and counterparty risk, and currency risk, which may adversely affect the net asset value per share of the fund and investors may as a result suffer losses.

**7. 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.

**8. 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.**
- 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.

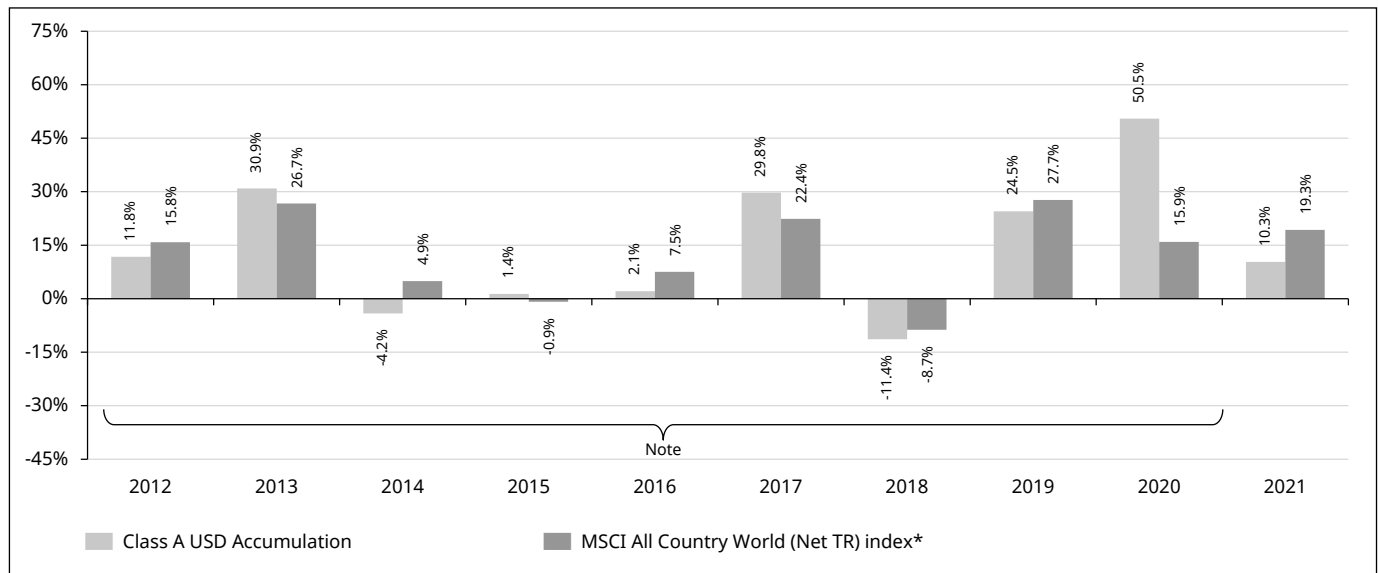
**9. Risks relating to hedging and the hedged classes**

- 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.

## 10. 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.

## 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.
- Comparator benchmark: MSCI All Country World (Net TR) index\*
- Fund launch date: 2007
- Class A USD Accumulation launch date: 2007
- 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 was material change(s) to the fund, namely, changes of investment policy and reduction of fee(s).

\*With effect from 1 May 2021, the comparator benchmark has changed from MSCI World (Net TR) index to MSCI All Country World (Net TR) index as it is more relevant with how the fund is managed.

## 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	D
<b>Subscription fee (Initial charge)</b>	Up to 5.00% of the total subscription amount	Up to 4.00% of the total subscription amount	Nil
<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.

	Annual rate (as a % of the fund's value)		
Share class*	A	A1	D
<b>Management fee (Annual Management Charge)</b>	1.50%	1.50%	1.50%
<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	0.50%	1.00%
<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.

Note: As of the date of this document, Class D shares of the fund are not being offered to the public in Hong Kong.



**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)).
- 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).
- 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.