

**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

**Schroder International Selection Fund**  
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**Schroder International Selection Fund**  
***Société d'Investissement à Capital Variable***  
**5, rue Höhenhof**  
**1736 Senningerberg**  
**Grand Duchy of Luxembourg**  
**RCS number B8202**  
**(the "Company")**

**Notice to shareholders of Schroder International Selection Fund Emerging Europe (the "Fund")**

4 July 2022

**Reorganisation of the Fund for Russian Assets**

Dear Shareholder,

We are writing to you in the context of the unprecedented geo-political situation caused by Russia's invasion of Ukraine and the resultant impact of sanctions and the actions of governments and market counterparties on certain Russian issuers and assets.

These sanctions regimes combined with the partial closure of the Russian Stock Exchange and the resultant inability of market participants to trade and achieve settlement reliably in Russian equities has prevented the Fund from being able to value and dispose of those assets (the **"Russian Assets"**).

Consequently, and as published on 28 February 2022, the calculation of net asset value ("**NAV**") per share and dealing of shares in the Fund were suspended with effect from 13.00, Central European Time (19:00 Hong Kong time) on 25 February 2022.

Following the suspension, the board of directors of the Company (the “**Board**”) together with Schroder Investment Management (Europe) S.A. (“**SIM EU**”), the management company of the Company, undertook a review of what further action could be taken in order to seek to preserve the remaining value in the Fund, including the potential future value of the Russian Assets and assess options for re-opening the Fund for subscriptions and redemptions in the best interests of its shareholders while maintaining fair treatment for all shareholders.

### **Split of the Fund to create new share classes for Russian Assets**

In this context, and in line with Article 5 of the articles of incorporation of the Company, the Board has decided to reorganise the assets of the Fund by splitting the Fund in order to create new share classes to which the Russian Assets will be allocated (the “**New Classes**” each a “**New Class**”) with effect as of 18 July 2022 (the “**Split Date**”).

The benefit of this reorganisation is that the Fund will continue to be managed in accordance with its investment objective and policy, which enables shareholders to benefit from the ongoing performance of the Fund’s non-Russian Assets whilst retaining (through the New Classes) an interest in the Russian Assets should their value return in the future.

Two New Classes (one for investors already invested in an existing class reserved for institutional investors within the meaning of article 174 of the law of 17 December 2010 and one for all other investors already invested in other existing classes) will be created, to which the portfolio of Russian Assets will be allocated. These classes will be denominated in Euro and will be closed for subscriptions and redemptions. Further details on the key characteristics of the New Classes and how shares in such New Classes will be allocated to investors are included in the Appendix to this letter.

Such New Classes will not be charged any annual distribution charge and annual management charge or charges from the Company’s depositary, custodian and fund administrator. The New Classes may be charged class specific charges such as charges for legal services and the Luxembourg *taxe d’abonnement* and other costs related to the Fund as a whole where these are to the benefit of all investors in the Fund – for example those relating to audit services, all in accordance with the provisions of the prospectus of the Company (the “**Prospectus**”). At the point the New Classes are launched, we will transfer cash in the amount of €75,000 from the Fund (approximately 0.4% of the total cash in the Fund, and 0.03% of the total NAV of the Fund) to the New Classes to cover these costs. If the amount of €75,000 is insufficient to cover any such costs relating to the New Classes in the future, SIM EU will bear any such shortfall should the Russian Assets not recover sufficient value. The existing share classes will continue to incur the costs as set out in the Prospectus.

The creation of these New Classes provides the necessary operational solution to ring fence (from an accounting perspective for the purposes of the calculation of the NAV) the Russian Assets from the other investments of the Fund. Whilst there is no legal segregation of assets and liabilities between share classes, accounting segregation between share classes is in place in order so that the liabilities which will arise in connection with the operation of the New Classes will only be allocated to these classes. The accounting segregation applied here will be the same as the methodology used between share classes in other sub-funds of the Company. However the resilience of this accounting ring-fencing might be challenged by creditors and so any liabilities relating to the Russian Assets could still affect the Fund’s liquid non-Russian assets. However, given the Russian Assets comprise unleveraged investments in equities, we do not expect any such liabilities to exceed the original value of the investments in the Russian Assets.

On the Split Date, all shareholders of the Fund will be entitled to receive shares in the relevant New Classes calculated on a pro rata basis reflecting their exposure to the Russian Assets, through the existing share classes, as at 25 February 2022. The allocation method of shares in the relevant New Classes is described in the Appendix to this letter.

Following the allocation of the Russian Assets to the New Classes, the Fund through its existing share classes will have no more exposure to Russian equities and will not make any further investments in Russian equities until further notice. This is in line with the Fund's target benchmark from which all Russian equities have been removed.

### **Way forward for the Fund**

The Fund's investment objective and policy, its pricing process and its dealing process in relation to the existing share classes will not be changed at this stage.

The Russian Assets in the New Classes will continue to be valued according to the valuation principles set out in the Prospectus and Schroders' valuation policy, like any assets in the Fund and the Company. As at the date of this letter, the Russian Assets are valued at zero. SIM EU together with the Board have responsibility for continuing to monitor the appropriateness of the valuation based on the prevailing market indicators.

Should the Russian market start to trade more normally, the Board will decide when and how to realise the Russian Assets taking into account the best interests of shareholders and at the best available realisable price to the extent possible so that the Fund will return value to shareholders in the New Classes on the realisation of Russian Assets over time. No individual investors will be able to affect the timing of the return of any value of the Russian Assets. Any value in the Russian Assets will be returned as and when liquidity is available. This may therefore be in tranches or all at the same time. The realisation of Russian Assets will be made at the level of the Fund, but separately from the non-Russian Assets attributable to the existing share classes, in a manner to ensure fair and equal treatment of all those shareholders who were allocated shares in the New Classes.

### **Tax**

We do not believe that the creation of the New Classes and the associated changes described in this letter should of themselves have any significant effect on most types of investors from a tax perspective, but investors' own circumstances may vary. The creation of the New Classes should have no Hong Kong profits tax implications to the Fund. Generally, shareholders should not be liable to Hong Kong profits tax on gains realised on the disposal of shares, except where the acquisition and disposal of shares are or form part of a trade, profession or business carried on by the shareholders in Hong Kong and the gains are revenue in nature for Hong Kong profits tax purposes. The classification of a gain as revenue or capital will depend on the particular circumstances of the shareholders. Shareholders should take advice from their own professional advisors as to their particular tax position.

### **Lifting of suspension**

As a consequence of this reorganisation of the Fund, the suspension of calculation of the NAV and dealing in shares in the Fund will be lifted with effect from 18 July 2022. For the avoidance of doubt, the suspension will only be lifted in relation to the existing share classes of the Fund (and not the New Classes which are listed in the Appendix to this letter).

The Fund's total NAV on the last dealing day before the Fund was suspended, 25 February 2022, was EUR554,433,333. The Fund's NAV per share on its last dealing day prior to suspension and its latest available informative NAV per share for those share classes distributed in Hong Kong are as follows:

Share class	Currency	NAV per share on the Fund's last dealing day (25 February 2022) <sup>1</sup>	Informative NAV per share as of 15 June 2022
SISF Emerging Europe A Dis AV	EUR	19.5815	8.1937
SISF Emerging Europe A Acc	EUR	27.5745	11.5381
SISF Emerging Europe A1Acc	EUR	25.5009	10.6543
SISF Emerging Europe A Dis AV	GBP	16.3945	7.06
SISF Emerging Europe A1 Acc	USD	28.5442	11.0509

All dealing instructions that have been received after 5:00 p.m. Hong Kong time on 25 February 2022 (the last dealing day before the NAV and dealing suspension) and which have not been withdrawn by 4.59 p.m. Hong Kong time on 18 July 2022 will be dealt with as of 18 July 2022. For any submitted redemption requests that are not withdrawn by such time, only shares attributable to the non-Russian Assets portion of any holding in the Fund will be dealt with. As per normal practice, such redemption requests can be submitted for either a certain number of shares held or a certain value of an investor's holdings in the Fund, in accordance with Prospectus.

### Further information

Information relating to the Fund, including an informative NAV per Share of the New Classes will be made available on our website at:

<https://www.schroders.com/en/lu/private-investor/fund-centre/fund-notifications/schroder-isf/>

This website has not been reviewed by the Securities and Futures Commission.

Any important information regarding the New Classes and the realisation of the Russian Assets will also be notified to the holders of shares in the New Classes. We will provide periodic updates to investors, and will keep investors informed of any material developments relating to the Fund.

The articles of association of the Company and other material contracts and documents of the Company, including the Hong Kong offering documents of the Company (which includes the product key facts statements of the Fund) are available for inspection at Schroder Investment Management (Hong Kong) Limited (the "**Representative**")'s registered office, located at Level 33, Two Pacific Place, 88 Queensway, Hong Kong, during normal business hours.

For further information please contact your usual professional advisor or the Representative at its registered office or calling the Schroders Investor Hotline on (+852) 2869 6968.

### For and on behalf of the Board

<sup>1</sup> The value of the Russian Assets was determined on the basis of the last available price on the relevant stock exchanges as of 25 February 2022 in calculating the NAV per share on 25 February 2022.

**APPENDIX****Further details of the New Classes****1. Key characteristics of the New Classes**

<b>Designation</b>	X9	Y9
<b>Eligible holders</b>	<b>Institutional</b>	<b>Non Institutional</b>
<b>Distribution Frequency</b>	<b>Accumulation</b>	<b>Accumulation</b>
<b>Currency</b>	EUR	EUR
<b>Hedging Status</b>	Unhedged	Unhedged
<b>ISIN</b>	LU2473380983	LU2473381015
<b>SEDOL</b>	BMH3YV4	BMH3YW5
<b>CUSIP</b>	BSDB7EV32	BSDB7EVF5

Given the current uncertainty over when the Fund may be able to realise the Russian Assets and so return value to shareholders in the New Classes, for administrative simplicity the New Classes will only be Euro-denominated unhedged share classes. If the Fund is able to distribute any value in the Russian Assets, investors will receive any distribution in the same currency as they currently hold their interest in the Fund. Any such amount will be converted at the prevailing FX rate at that time at no cost to the shareholder.

The voting rights of the New Classes will be the same as those of the existing share classes of the Fund. Each shareholder has the right to one vote for each whole share held.

**How many shares in each of the New Classes will be issued and how are these allocated to holders of the existing share classes?**

The Fund's total NAV as at 25 February 2022 was 554,433,333 Euro.

There will be issued 1,000,000 shares in the two New Classes that will be allocated to shareholders to reflect their pro rata entitlements to the Russian Assets.

Each shareholder will be allocated a number of shares in the New Classes that reflects their percentage holding in the Fund's aforementioned total NAV as at 25 February 2022.

To effect of the foregoing, the shares held by investors have been valued using the NAV per share on 25 February. Consequently, new shares in the New Classes will be issued to holders of the existing share classes as set out below.

Share Class	Share Class ISIN	TA code	Number of existing shares	NAV 25th February (EUR)	Total Net Asset Value (EUR)	% of the Fund held	Number of new shares	Ratio
A	LU0106820458	IEMEA	790,827	19.58	15,485,642	2.79%	27,931	3.53%
B	LU0106824104	IEMEB	21,336	17.43	371,899	0.07%	671	3.14%
C	LU0106824443	IEMEC	110,954	21.53	2,388,724	0.43%	4,308	3.88%

A	LU0106817157	IEMED	6,821,031	27.57	188,086,632	33.92%	339,241	4.97%
B	LU0106819104	IEMEE	716,268	24.17	17,313,672	3.12%	31,228	4.36%
C	LU0106820292	IEMEF	9,442,568	31.76	299,941,101	54.10%	540,987	5.73%
A1	LU0133716950	IEMEG	499,882	25.50	12,747,492	2.30%	22,992	4.60%
I	LU0134345577	IEMEI	43,491	39.78	1,729,870	0.31%	3,120	7.17%
IZ	LU2166138649	IEMEZ	15	93.74	1,406	0.00%	3	16.91%
A	LU0242609179	CEMEA	67,366	19.55	1,316,815	0.24%	2,375	3.53%
A	LU0994294378	GEMED	15,753	27.80	437,866	0.08%	790	5.01%
A1	LU0251572144	BEMEG	575,290	25.40	14,612,213	2.64%	26,355	4.58%
					<b>554,433,333</b>	<b>100.00%</b>	<b>1,000,000</b>	

As an illustration, a shareholder holding 10,000 shares in share class LU0106820458 will be allocated, by applying the 3.53% ratio set forth in the above table, 353 shares in the New Class. The ratio is calculated by dividing the total number of new shares within the New Class allocated to holders of an existing share class by the total number of shares in that existing share class.

Shareholders will only receive shares in the relevant New Class where their pro rata entitlement to the New Class is greater than 0.01 of a share in that New Class. Consequently shareholders whose entitlement is less than that will not receive any percentage of a share in a New Class.

The figures above under the columns entitled “% of the Fund held”, “Number of new shares” and “Ratio” have been rounded to 2 decimal places. The calculation of the data in the table above and the allocation of the New Classes is made on the basis of unrounded figures.

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**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

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

April 2022

***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>Depository:</b>	J.P. Morgan Bank Luxembourg S.A.			
<b>Ongoing charges over a year*:</b>	Class A EUR Acc	1.86%	Class A GBP Dis AV	1.86%
	Class A EUR Dis AV	1.86%	Class A1 USD Acc	2.36%
	Class A1 EUR Acc	2.36%		
<b>Dealing frequency:</b>	Daily			
<b>Base currency:</b>	EUR			
<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. The distribution frequency is indicated in the share class designation as follows: M = monthly, Q = quarterly, S = semi-annual, A = annual</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); 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.

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 in excess of the MSCI Emerging Markets Europe 10/40 (Net TR) index after fees have been deducted over a three to five year period<sup>Note</sup> by investing in equity and equity related securities of Central and Eastern European companies.

### Investment Policy

The fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Central and Eastern European companies, including the markets of the former Soviet Union and the Mediterranean emerging markets. The fund may also invest in equity and equity related securities of Northern African and Middle Eastern companies.

The fund typically holds 30-50 companies.

The fund is not subject to any limitation on the portion of its net asset value that may be invested in any country in Central and Eastern Europe or sector. The fund is not subject to any limitation on the market capitalisation of the companies that it may invest in.

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.

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

<sup>Note</sup> For clarification purpose, this means to exceed a medium to long term return of the stated index after fees have been deducted. The three to five year period is considered as a medium to long term period, and is the period over which an investor should assess the fund's performance. The "10/40" index takes into account the "5/10/40" rule applicable to a UCITS fund, which provides that a fund may invest no more than 10% of its net asset value in securities issued by the same issuing body, and the total value of all such investments which individually exceed 5% of the net asset value of the fund must not account for more than 40% of the net asset value of the fund.

### Benchmark

The fund's performance should be assessed against its target benchmark being to exceed the MSCI Emerging Markets Europe 10/40 (Net TR) index. The fund's investment universe is expected to overlap materially, directly or indirectly, with the components of the target benchmark.

## 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. 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.

### 3. Risk of investment in Europe

The fund may invest in securities which may include a substantial investment in European securities. In light of the current fiscal conditions and concerns on sovereign debt of certain European countries, the fund may be subject to an increased amount of volatility, liquidity, price, default and currency risk should there be any adverse credit events, such as credit downgrade of a sovereign or exit of EU members from the Eurozone, in the European region. Notwithstanding the governments of the European countries have adopted measures to address these problems, it is possible that these measures may not work and may adversely affect the value of the fund's investment in European securities. If these adverse economic or financial events in Europe continue, they could have additional unfavourable effects on the economies and financial markets of other parts of the world thereby affecting the value of the fund's investment.

### 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. 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.

**7. Risks relating to distributions**

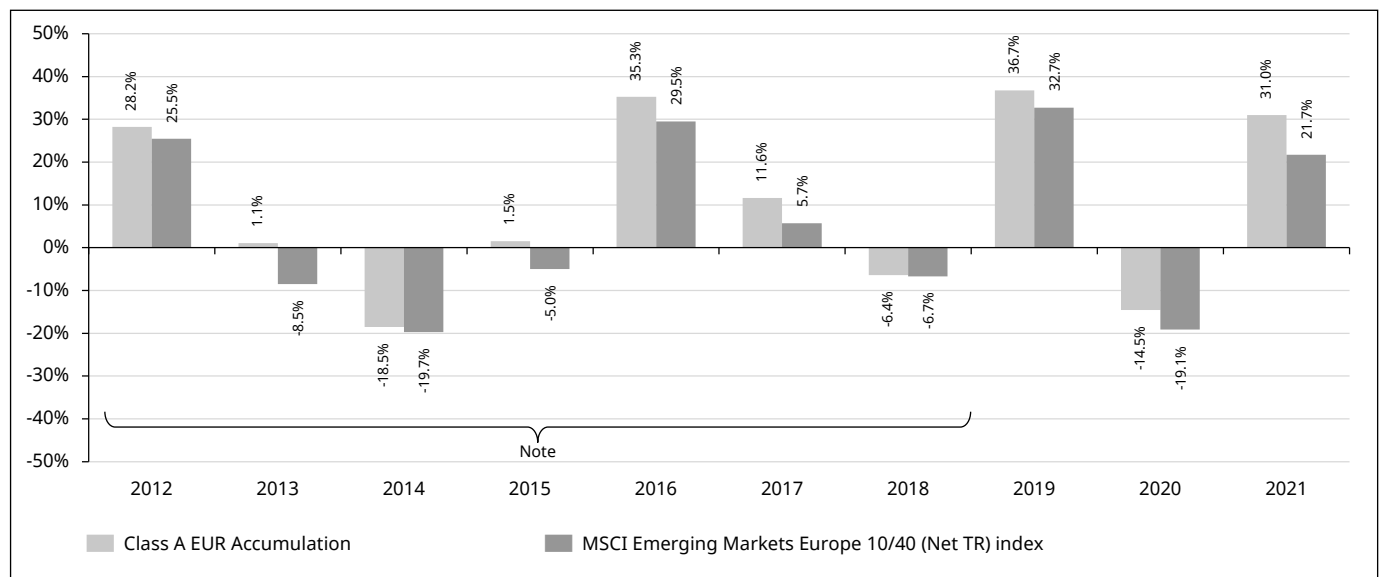
- For distribution share classes with a general dividend policy, expenses will be paid out of capital rather than out of gross income. The amount of distributable income therefore increases and the amount so increased may be considered to be dividend paid out of capital; capital growth will be reduced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

**8. Currency risks**

Assets and share classes may be denominated in currencies other than EUR 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 EURO. 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 EUR Accumulation increased or decreased in value during the calendar year being shown. Performance data has been calculated in EUR including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Target benchmark: MSCI Emerging Markets Europe 10/40 (Net TR) index
- Fund launch date: 2000
- Class A EUR Accumulation launch date: 2000
- The management company views the Class A EUR 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, reduction of fee(s).

## 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.