

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.

28 September 2021

Dear Shareholder,

**Schroder International Selection Fund – All China Equity
Schroder International Selection Fund – Asian Equity Yield
Schroder International Selection Fund – Asian Opportunities
Schroder International Selection Fund – Asian Smaller Companies
Schroder International Selection Fund – China Opportunities
Schroder International Selection Fund – Emerging Asia
Schroder International Selection Fund – Global Smaller Companies
Schroder International Selection Fund – Greater China
Schroder International Selection Fund – Hong Kong Equity
Schroder International Selection Fund – QEP Global Active Value
Schroder International Selection Fund – QEP Global Quality
(collectively, the “Funds”)**

We are writing to advise you that the investment policies of the Funds have been updated to clarify that indirect exposure to China A-Shares may be via instruments such as participatory notes, rather than by the use of derivatives.

Rationale

The investment policy of each Fund provides that derivatives may only be used with the aim of reducing risk or managing the Fund more efficiently. To ensure consistency with the policy, the reference to China A exposure being available indirectly via derivatives has been removed.

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

The Hong Kong offering documents of Schroder International Selection Fund (“**Company**”) will be revised to reflect the above changes and will be available free of charge at www.schroders.com.hk¹ or upon request from the Hong Kong Representative of the Company, Schroder Investment Management (Hong Kong) Limited.

¹ This website has not been reviewed by the SFC.

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

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3 September 2021

Dear Shareholder,

Schroder International Selection Fund – Hong Kong Equity (the “Fund”)

We are writing to advise you that the investment objective and investment policy of the Fund have been clarified.

References in the investment objective and investment policy stating that the Fund invests in:

“equity and equity related securities of Hong Kong SAR companies”

have been changed to:

“equity and equity related securities of companies listed on the Hong Kong Stock Exchange.”

Rationale

The clarification has been made to reflect that the Fund’s strategy focuses on companies listed on the Hong Kong Stock Exchange, some of which may be domiciled in mainland China.

All other key features of the Fund will remain the same. There is no change in the Fund’s investment style, investment philosophy, investment strategy, operation or risk profile following this change.

Any expenses incurred directly as a result of making this change will be borne by Schroder Investment Management (Europe) S.A., the Company’s management company.

If you have any questions or would like more information, please contact your usual professional advisor or Schroder Investment Management (Hong Kong) Limited at Level 33, Two Pacific Place, 88 Queensway, Hong Kong or calling the Schroders Investor Hotline on (+852) 2869 6968.

Yours faithfully,

The Board of Directors

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

April 2021

***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

Management company:	Schroder Investment Management (Europe) S.A.			
Investment manager:	Schroder Investment Management (Hong Kong) Limited, located in Hong Kong, internal delegation			
Depository:	J.P. Morgan Bank Luxembourg S.A.			
Ongoing charges over a year*:	Class A HKD Acc	1.84%	Class A USD Acc	1.84%
	Class A1 HKD Acc	2.34%	Class A1 USD Acc	2.34%
	Class D HKD Acc	2.84%		
Dealing frequency:	Daily			
Base currency:	HKD			
Dividend policy:	<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>			
Financial year end of this fund:	31 December			
Minimum investment:	A, A1 and D share classes: Initial – EUR1,000 or USD1,000 (or equivalent); Subsequent investment – EUR1,000 or USD1,000 (or equivalent)			

* The ongoing charges figure is based on the expenses for the year ended 31 December 2020. This figure may vary from year to year.

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 FTSE Hong Kong (Net TR) index after fees have been deducted over a three to five year period^{Note} by investing in equity and equity related securities of Hong Kong SAR companies.

Investment Policy

The fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Hong Kong SAR companies.

The fund may invest directly in China B-Shares and China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly through derivatives in China A-Shares through Stock Connect (as defined below).

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.

The fund may invest directly in China A-Shares via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect (collectively “Stock Connect”) (as further described in the section headed “Stock Connect” in the Hong Kong Covering Document). Indirect exposure to China A-Shares may also be sought for the fund through investment in financial instruments such as China market access products and other funds with China access through Qualified Foreign Investor status. The fund does not currently intend to invest 30% or more of the net asset value of the fund directly and indirectly in China A-Shares and China B-Shares.

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 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.

^{Note} 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.

Benchmark

The fund’s performance should be assessed against its target benchmark being to exceed the FTSE Hong Kong (Net TR) index (“Target Benchmark”) and compared against the Morningstar Hong Kong Equity Category (“Comparator Benchmark”). The fund’s investment universe is expected to overlap to a limited extent with the components of the Target Benchmark. 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.

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. 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.

3. Risks related to investment in the People's Republic of China (the "PRC")

Investing in the securities market in the PRC is subject to the risks specific to the PRC market including change in political, social or economic policy risk, liquidity and volatility risk, currency and exchange risk.

- **Change in political, social or economic policy risk** – The investment will be sensitive to any significant change in political, social or economic policy in the PRC which may adversely affect the capital growth and thus the fund performance.
- **Legal and regulatory risk** – The regulatory and legal framework for capital markets and joint stock companies in the PRC may not be as well developed as those of developed countries. PRC companies are required to follow the PRC accounting standards and practice which may deviate significantly from international accounting standards. The settlement and clearing systems of the Chinese securities markets may not be well tested and may be subject to increased risks of error or inefficiency. Securities exchanges in the PRC typically have the right to suspend or limit trading in any security traded on the relevant exchange. The government or the regulators may also implement policies that may affect the financial markets. All these may have a negative impact on the fund.
- **Liquidity and volatility risk** – Compared with the choice available in other markets, there is a low level of liquidity in the A-Shares and B-Shares of the PRC markets. This could potentially lead to severe price volatility.
- **Currency and exchange risk** – The PRC government's control of currency conversion and exchange rates may adversely affect the operations and financial results of the companies invested in by the fund.
- **PRC taxation consideration** – The fund investing in securities issued by companies resident in the PRC are subject to dividend withholding tax but are not currently subject to capital gains tax in the PRC. The tax laws, regulations and practice in the PRC are inherently uncertain and liable to change without prior notice. They may also be changed with retrospective effect. The fund does not currently make any provision for Chinese capital gains tax. If appropriate, a provision may be introduced for the fund to cover capital gains tax, withholding taxes or other taxes. Consequently, investors may be advantaged or disadvantaged depending upon the final rules.

4. Risks related to investments via the Stock Connect

The relevant rules and regulations on Stock Connect are subject to change which may have potential retrospective effect. The Stock Connect is subject to quota limitations. Where a suspension in the trading through the programme is effected, the fund's ability to invest in China A-shares or access the PRC market through the programme will be adversely affected. In such event, the fund's ability to achieve its investment objective could be negatively affected.

5. Risks related to investments in China market access products

The fund may use China market access products to gain exposure to China A-Shares indirectly. This involves additional risks including lack of a secondary market in such instruments, illiquidity of the underlying securities, difficulty in selling these instruments at times when the underlying markets are closed and counterparty default risk.

6. Risks related to investments in other funds with China access

- Investing in other funds may result in additional operating fees and expenses from the underlying funds.
- The fund may invest in other funds with China access through Qualified Foreign Investor ("QFI") status. Therefore, the fund is indirectly exposed to the risks associated with the QFI regime such as suspension or revocation of the QFI status, as well as repatriation and liquidity risks.

7. 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.

8. Smaller companies risk

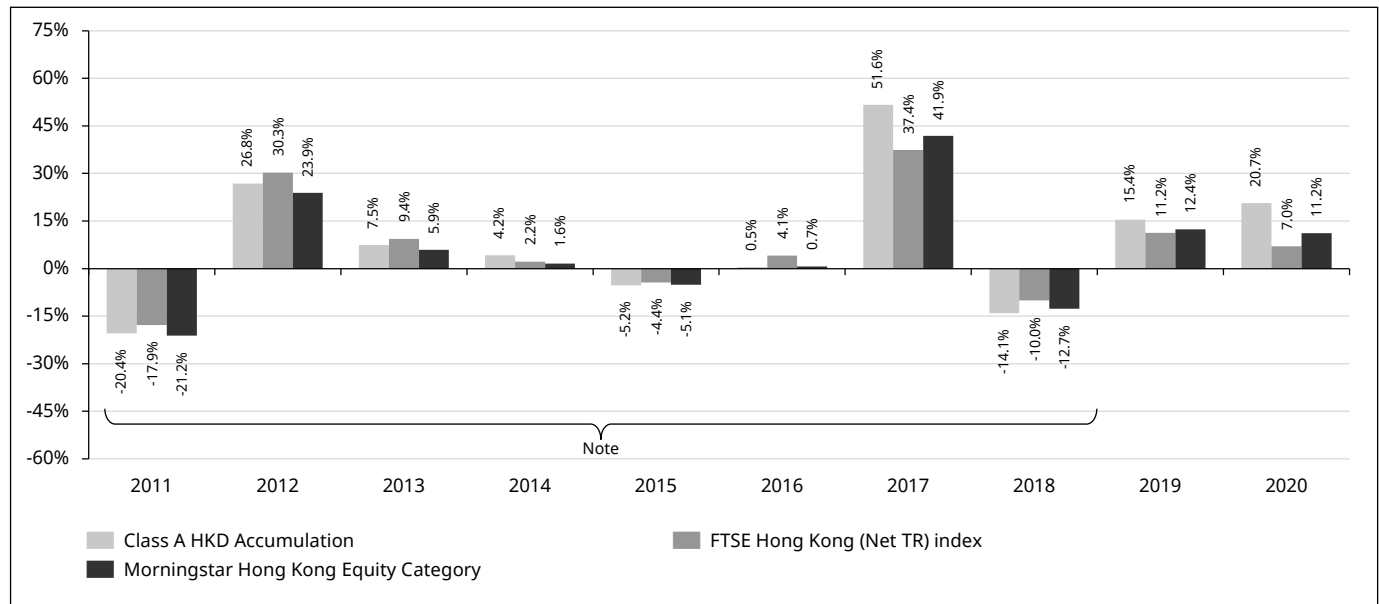
Fund invests in smaller companies may fluctuate in value more than other funds and may be more vulnerable to adverse developments than those in larger companies. During periods where markets are falling, securities of smaller companies may become less liquid and experience short-term price volatility and wide spreads between dealing prices.

9. 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 of shares.

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 HKD Accumulation increased or decreased in value during the calendar year being shown. Performance data has been calculated in HKD including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Target Benchmark: FTSE Hong Kong (Net TR) index
- Comparator Benchmark: Morningstar Hong Kong Equity Category
- Fund launch date: 2002
- Class A HKD Accumulation launch date: 2002
- The management company views the Class A HKD 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 objective and policy and 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
Subscription fee (Initial charge)	Up to 5.00% of the total subscription amount	Up to 4.00% of the total subscription amount	Nil
Switching fee (Switching charge)	Up to 1.00% of the value of the shares to be switched		
Redemption fee (Redemption charge)	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
Management fee	1.50%	1.50%	1.50%
Depository fee	Up to 0.005%		
Performance fee	Nil		
Administration fee	Up to 0.25%		
Distribution charge	Nil	0.50%	1.00%
Custody safekeeping fee	Up to 0.3%		
Transaction fees (charged by the Depository)	Up to USD75 per transaction		
Fund accounting and valuation fees	Up to 0.0083%		

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

Other fees

You may have to pay other fees when dealing in the shares of the fund. Please refer to the offering document for fees payable by the fund.

Additional information

- You generally buy and redeem shares at the fund's relevant net asset value ("NAV") after Schroder Investment Management (Hong Kong) Limited receives your request, directly or via a distributor, in good order at or before 5pm HK time, being the fund's dealing cut-off time on each dealing day of the fund. Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal dealing cutoff 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).
- Past performance information of other share classes offered to Hong Kong investors is available online at 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. 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.