

**18 August 2023**

Dear Shareholder,

**Schroder International Selection Fund (the "Company") – Swiss Equity / Swiss Small & Mid Cap Equity / Sustainable Swiss Equity (the "Funds")**

We are writing to advise you that with effect from 21 September 2023 (the "Effective Date") the Funds' investment policies will be updated. Their binding environmental and/or social characteristic(s), within the meaning of Article 8 of the Sustainable Finance Disclosure Regulation (SFDR), will change from maintaining a higher overall sustainability score than a benchmark to maintaining a positive absolute (above zero) sustainability score.

**Background and rationale**

The Funds' sustainability scores are calculated against the relevant benchmarks using Schroders' proprietary tool. However, changes to this tool affecting healthcare exposed companies and consequently the benchmarks' sustainability scores would require a change to the Funds' investment strategies in order to continue to maintain a higher overall sustainability score than the benchmark. We do not believe that changing the existing investment strategies is in the best interests of shareholders.

Full details of changes to the Funds' investment policies is included as an appendix to this letter. The changes will also be reflected in the Pre-contractual Disclosures of the Funds, as provided in Appendix IV of the prospectus, in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

There are no other changes to the Funds' investment style, investment philosophy, investment strategy, and the operation and/or manner in which the Fund is being managed following these changes.

The extent of the change to the risk/reward profiles of the Funds as a result of these changes is non-significant.

All other key features of the Funds, including the relevant risk indicators and fees, will remain the same.

**Redeeming or switching your shares to another Schroders fund**

We hope that you will choose to remain invested in the Fund following these changes, but if you do wish to redeem your holding in the Fund or to switch into another of the Company's sub-funds before the Effective Date you may do so at any time up to and including deal cut-off on 20 September 2023. Please ensure that your redemption or switch instruction reaches HSBC Continental Europe, Luxembourg ("HSBC") before this deadline. HSBC will execute your redemption or switch instructions in accordance with the provisions of the Company's prospectus, 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 deal cut-off which is earlier than that described above, so please check with them to ensure that your instructions reach HSBC before the deal cut-off given above.

You can find the Fund's updated key information document (the KID) for the relevant share class and the Company's Prospectus at [www.schroders.lu](http://www.schroders.lu).

If you have any questions or would like more information about Schroders' products please visit [www.schroders.com](http://www.schroders.com) or contact your local Schroders office, your usual professional adviser, or Schroder Investment Management (Europe) S.A. on (+352) 341 342 202.

Yours faithfully,

**The Board of Directors**

## Appendix

### Investment policy changes

New wording is shown in bold. Removed wording is shown as strikethrough text.

#### Schroder ISF Swiss Equity

Current investment policy	New investment policy
<p>The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of Swiss companies. This means typically holding fewer than 50 companies.</p> <p>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).</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p>The Fund maintains a higher overall sustainability score than the Swiss Leaders Index, based on the Investment Manager's rating criteria. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via <a href="https://www.schroders.com/en/lu/private-investor/gfc">https://www.schroders.com/en/lu/private-investor/gfc</a></p>	<p>The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of Swiss companies. This means typically holding fewer than 50 companies.</p> <p>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).</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p><del>The Fund maintains a higher overall sustainability score than the Swiss Leaders Index, based on the Investment Manager's rating criteria.</del> <b>The Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system.</b> More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via <a href="https://www.schroders.com/en/lu/private-investor/gfc">https://www.schroders.com/en/lu/private-investor/gfc</a></p>

#### Schroder ISF Swiss Small & Mid Cap Equity

Current investment policy	New investment policy
<p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small and mid-sized Swiss companies. These are companies which, at the time of purchase, are considered to be in the</p>	<p>The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small and mid-sized Swiss companies. These are companies which, at the time of purchase, are considered to be in the bottom 30%</p>

Current investment policy	New investment policy
<p>bottom 30% by market capitalisation of the Swiss equities market.</p> <p>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).</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p>The Fund maintains a higher overall sustainability score than the Swiss Performance Index Extra, based on the Investment Manager's rating criteria. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via <a href="https://www.schroders.com/en/lu/private-investor/gfc">https://www.schroders.com/en/lu/private-investor/gfc</a></p>	<p>by market capitalisation of the Swiss equities market.</p> <p>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).</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p> <p><del>The Fund maintains a higher overall sustainability score than the Swiss Performance Index Extra, based on the Investment Manager's rating criteria.</del> <b>The Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system.</b> More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via <a href="https://www.schroders.com/en/lu/private-investor/gfc">https://www.schroders.com/en/lu/private-investor/gfc</a></p>

### Schroder ISF Sustainable Swiss Equity

Current investment policy	New investment policy
<p>The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of Swiss companies.</p> <p>The Fund maintains a higher overall sustainability score than the Swiss Leaders Index, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via <a href="https://www.schroders.com/en/lu/private-investor/gfc">https://www.schroders.com/en/lu/private-investor/gfc</a></p>	<p>The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of Swiss companies.</p> <p><b>The Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system.</b> More details on the investment process used to achieve this can be found in the Fund Characteristics section.</p> <p>The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via <a href="https://www.schroders.com/en/lu/private-investor/gfc">https://www.schroders.com/en/lu/private-investor/gfc</a></p>

<b>Current investment policy</b>	<b>New investment policy</b>
<p>The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).</p> <p>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 webpage <a href="https://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">https://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a></p> <p>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).</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p>	<p>The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section for more details).</p> <p>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 webpage <a href="https://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">https://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a></p> <p>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).</p> <p>The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.</p>

ISIN codes of the share classes impacted by this change:

### Schroder ISF Swiss Equity

Share class	Share class currency	ISIN code
A Accumulation	CHF	LU0106244287
A Distribution	CHF	LU0063575806
A1 Accumulation	CHF	LU0133713858
B Accumulation	CHF	LU0106244360
B Distribution	CHF	LU0063575988
C Accumulation	CHF	LU0106244444
C Distribution	CHF	LU0063576010
IZ Accumulation	CHF	LU2016220936
Z Accumulation	CHF	LU1281938040
Z Distribution	CHF	LU1281938396
A Accumulation	EUR Hedged	LU1015430058
Z Accumulation	EUR Hedged	LU1281938552
A Accumulation	GBP Hedged	LU1015430306
Z Accumulation	GBP Hedged	LU1281939014
A Accumulation	USD Hedged	LU1015430215
Z Accumulation	USD Hedged	LU1281938719

### Schroder ISF Swiss Small & Mid Cap Equity

Share class	Share class currency	ISIN code
A Accumulation	CHF	LU0149524034
A1 Accumulation	CHF	LU0149538414
B Accumulation	CHF	LU0149524117
C Accumulation	CHF	LU0149524208
I Accumulation	CHF	LU0149524463

**Schroder ISF Sustainable Swiss Equity**

<b>Share class</b>	<b>Share class currency</b>	<b>ISIN code</b>
A Accumulation	CHF	LU0227177580
A1 Accumulation	CHF	LU0227178042
B Accumulation	CHF	LU0227177663
C Accumulation	CHF	LU0227177820
I Accumulation	CHF	LU0227178554
IZ Accumulation	CHF	LU2016221074