

**25 August 2023**

Dear Shareholder,

## **Schroder International Selection Fund (the "Company") – European Special Situations (the "Fund")**

We are writing to inform you that the Fund's investment objective and policy have been clarified.

In the course of our implementation of the EU Sustainable Finance Disclosure Regime ("SFDR"), the Fund was categorised under Article 8 SFDR and we applied certain sustainable features. Further to the development of our internal sustainable fund classification framework, and in order to best reflect the way the strategy is implemented, we believe that the Fund's investment objective and policy should be clarified as follows:

- A statement in the investment objective that the Fund will invest in holdings that meet the investment manager's sustainability criteria has been removed, as sustainability is considered in the context of the overall portfolio.
- Statements in the investment policy that i) the Fund invests in companies that have good governance processes, and ii) the investment manager may engage with companies held by the Fund to challenge areas of weakness on sustainability have been removed (both are still applicable in practice, but we no longer wish to state them in the investment policy itself).

Additionally, the aim of the investment manager to ensure that at least 75% of the Fund's individual holdings have a positive sustainability score relative to its benchmark (MSCI Europe (Net TR) index) has been removed from the sustainability criteria contained in the prospectus.

The Fund's SFDR Article 8 status is not affected by these clarifications.

Full details of the changes made to the Fund's investment objective and policy can be viewed in the Appendix.

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

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

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

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

### Schroder ISF European Special Situations

Current investment objective	New investment objective
<p>The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies, which meet the Investment manager's sustainability criteria.</p>	<p>The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies, <del>which meet the Investment manager's sustainability criteria.</del></p>
Current investment policy	New investment policy
<p>The Fund is actively managed and invests in a select portfolio of securities in special situations, where the Investment Manager believes a special situation to be a company whose future prospects are not fully reflected in its valuation.</p> <p>The Fund maintains a higher overall sustainability score than MSCI Europe 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 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 Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a>.</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</p>	<p>The Fund is actively managed and invests in a select portfolio of securities in special situations, where the Investment Manager believes a special situation to be a company whose future prospects are not fully reflected in its valuation.</p> <p>The Fund maintains a higher overall sustainability score than MSCI Europe 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 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 Information" on the Fund's webpage, accessed via <a href="http://www.schroders.com/en/lu/private-investor/gfc">www.schroders.com/en/lu/private-investor/gfc</a>.</p> <p><del>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).</del></p> <p><del>The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability</del></p>

<p>issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">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</p> <p>directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies,</p> <p>Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions</p> <p>provided in Appendix I).</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p>	<p><del>issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <a href="http://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures">www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures</a>.</del></p> <p>The Fund may also invest up to one-third of its assets</p> <p>directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies,</p> <p>Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions</p> <p>provided in Appendix I).</p> <p>The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.</p>
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ISIN codes of the share classes impacted by this change:

<b>Share class</b>	<b>Share class currency</b>	<b>ISIN code</b>
A Accumulation	EUR	LU0246035637
A1 Accumulation	EUR	LU0246036528
B Accumulation	EUR	LU0246036106
C Accumulation	EUR	LU0246036288
C Distribution	EUR	LU0249010926
I Accumulation	EUR	LU0246036874
IZ Accumulation	EUR	LU2016216074
IZ Distribution	EUR	LU2435146811
K1 Distribution	EUR	LU2435147033
K1 Accumulation	EUR	LU2004794165
S Accumulation	EUR	LU1034078938
S Distribution	EUR	LU1034079076
Z Accumulation	EUR	LU1281941002
A Accumulation	GBP	LU0847528352
A Distribution	GBP	LU0847530689
C Accumulation	GBP	LU0847529244
C Distribution	GBP	LU0847531810
Z Accumulation	GBP	LU1281941267
A Accumulation	USD	LU2435147389
A Distribution	USD	LU2435147207
IZ Accumulation	USD	LU2435146902
K1 Accumulation	USD	LU2435147116
C Accumulation	USD	LU1775313916