

**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.**

**3 September 2021**

Dear Shareholder,

**Schroder International Selection Fund – Global Smaller Companies**  
**Schroder International Selection Fund – Japanese Equity**  
**Schroder International Selection Fund – Japanese Opportunities**  
**Schroder International Selection Fund – Japanese Smaller Companies**  
**Schroder International Selection Fund – US Small & Mid Cap Equity**  
**Schroder International Selection Fund – US Smaller Companies**

**(each a “Fund”, and collectively, the “Funds”)**

We are writing to advise you that the target benchmarks of the Funds have been changed from gross to net variants. This means the target benchmark of each Fund has been changed as follows:

<b>Fund</b>	<b>Target benchmark (gross variant) (before change)</b>	<b>Target benchmark (net variant) (after change)</b>
Global Smaller Companies	S&P Developed Small Cap (Gross TR) index	S&P Developed Small Cap (Net TR) index
Japanese Equity	Tokyo Stock Exchange 1st Section index (TOPIX) (TR)	Tokyo Stock Exchange 1st Section index (TOPIX) (Net TR)
Japanese Opportunities	Tokyo Stock Exchange 1st Section index (TOPIX) (TR)	Tokyo Stock Exchange 1st Section index (TOPIX) (Net TR)
Japanese Smaller Companies	Russell Nomura Small Cap (TR) index	Russell Nomura Small Cap (Net TR) index
US Small & Mid Cap Equity	Russell 2500 Lagged (TR) index	Russell 2500 Lagged (Net TR) index
US Smaller Companies	Russell 2000 Lagged (Gross TR) index	Russell 2000 Lagged (Net TR) index

The investment objectives of the Funds have been revised as follows to reflect the relevant changes to the target benchmarks:

Fund	Changes to the target benchmarks in investment objectives
Global Smaller Companies	The Fund aims to provide capital growth in excess of the S&P Developed Small Cap ( <del>Gross</del> <u>Net</u> 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 small-sized companies worldwide.
Japanese Equity	The Fund aims to provide capital growth in excess of the Tokyo Stock Exchange 1st Section index (TOPIX) ( <u>Net</u> TR) after fees have been deducted over a three to five year period <sup>Note</sup> by investing in equity and equity related securities of Japanese companies.
Japanese Opportunities	The Fund aims to provide capital growth in excess of the Tokyo Stock Exchange 1st Section index (TOPIX) ( <u>Net</u> TR) after fees have been deducted over a three to five year period <sup>Note</sup> by investing in equity and equity related securities of Japanese companies.
Japanese Smaller Companies	The Fund aims to provide capital growth in excess of the Russell Nomura Small Cap ( <u>Net</u> 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 small-sized Japanese companies.
US Small & Mid Cap Equity	The Fund aims to provide capital growth in excess of the Russell 2500 Lagged ( <u>Net</u> 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 small and mid-sized US companies.
US Smaller Companies	The Fund aims to provide capital growth in excess of the Russell 2000 Lagged ( <del>Gross</del> <u>Net</u> 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 small-sized US companies.

<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 Funds' performance should be assessed against their target benchmarks being to exceed their respective target benchmark.

### Rationale

Following a review of benchmarks we have decided to change the Funds' target benchmarks to enhance the accuracy of the target benchmarks as performance targets for the Funds and consistency across the range. By using a net rather than gross variant we are able to factor in withholding tax on the target benchmarks' underlying holdings, which most accurately reflects the actual after tax returns of the Funds for most international investors.

All other key features of the Funds will remain the same. There is no change in the Funds' investment style, investment philosophy, investment strategy, operation or risk profile following these changes.

Any expenses incurred directly as a result of making these changes will be borne by Schroder Investment Management (Europe) S.A., the management company of Schroder International Selection Fund ("Company").

The Hong Kong offering documents of the Company will be revised to reflect the above changes and will be available free of charge at [www.schroders.com.hk](http://www.schroders.com.hk)<sup>1</sup> or upon request from the Hong Kong Representative of the Company, Schroder Investment Management (Hong Kong) Limited.

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

Yours faithfully,

The Board of Directors

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