Schroders

Schroder International Selection Fund
Société d'Investissement à Capital Variable
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18 January 2021

Dear Shareholder,

Schroder International Selection Fund — European Sustainable Equity

We are writing to advise you that the above fund (in which you are invested) is due to receive assets from another fund through a merger. This merger is not expected to have any impact on your investment.

On 31 March 2021 (the "Effective Date"), Schroder International Selection Fund — European Opportunities (the "Merging Fund") will merge into Schroder International Selection Fund — European Sustainable Equity (the "Receiving Fund"). Dealing in the Receiving Fund will not be interrupted by the merger. Both funds are approximately the same size as at 30 October 2020. We have provided full details of this merger below.

The decision to merge the funds was taken by the board of directors of Schroder International Selection Fund (respectively the "Board" and the "Company").

Background and rationale

The Merging Fund and the Receiving Fund have similar investment strategies with similar risk profiles, but the investment manager believes that the Receiving Fund has a greater capacity to deliver on its objective of outperforming the MSCI Europe net of fees over rolling three to five year periods.

Both Funds are primarily invested in European companies, have a similar number of holdings (40-60) and have the same target benchmark (the MSCI Europe Net TR Index). This index is representative of the type of investments in which both Funds are likely to invest. The Merging Fund has experienced some manager changes in recent years, whilst the Receiving Fund is a sustainably European equity solution which has outperformed its benchmark materially since launch.

The Board believes this merger is in the interest of both Funds' shareholders. This decision has been made in accordance with Article 5 of the articles of incorporation of the Company (the "Articles") and the provisions of the prospectus of the Company (the "Prospectus").

This notice is required by Luxembourg law and is being sent to you for information purposes only.

Impact on the Receiving Fund's investment portfolio and performance

The Receiving Fund will continue to be managed in line with its investment objective and strategy after the merger. Prior to the merger the Merging Fund will dispose of any assets that are not in line with the Receiving Fund's investment portfolio or which cannot be held due to investment restrictions. The Receiving Fund's investment portfolio will not need to be rebalanced before or after the merger. The Board does not foresee any material impact on the Receiving Fund's investment portfolio or performance as a result of the merger.

Expenses and costs of the merger

The expenses incurred in the merger, including the legal, audit and regulatory charges, will be borne by the Company's management company, Schroder Investment Management (Europe) S.A. (the “Management Company”). The Merging Fund will bear the market-related transaction costs associated with the disposal of any investments that are not in line with the Receiving Fund.

Effective date and rights of shareholders

The merger will be implemented on 31 March 2021 (the "Effective Date"). As a shareholder in the Receiving Fund you have the right to redeem your holding or switch it into the same share class of one or more of the Company's other sub-funds prior to the merger. If you do not wish to continue to hold shares in the Receiving Fund you may at any time up to and including deal cut-off at 1:00 p.m. Luxembourg time on 31 March 2021 send your instructions to redeem or switch your shares for execution prior to the merger HSBC Continental Europe, Luxembourg (“HSBC”) will carry out your instructions free of charge in accordance with the provisions of the Prospectus. Please note that some distributors, paying agents, correspondent banks or similar agents may charge you transaction fees. Please also note that they might have a local deal cut-off which is earlier than the Receiving Fund's cut-off time in Luxembourg, and we recommend that you check with them to ensure that your instructions reach HSBC before the deal cut-off given above.

Redemption and / or switching of shares may affect the tax status of your investment. We therefore recommend you to seek independent professional advice if you decide to redeem or switch your holding.

Exchange ratio and treatment of accrued income

On the Effective Date, the net assets and liabilities of the Merging Fund, including any accrued income, will be calculated in its final net asset value per share for each share class. Shareholders in the Merging Fund will be issued shares of an equal amount by value of shares in the Receiving Fund at the net asset value per share calculated on that day or at the initial issue price for the corresponding share class. Any income accrued after the Effective Date will be accounted for on an on-going basis in the net asset value per share for each share class in the Receiving Fund. Any income accrued in the Receiving Fund prior to the merger will not be affected.

Further information

Luxembourg law requires that an audit report be prepared by the Company's approved statutory auditor in relation to the merger. This audit report will be available free of charge on request from the Management Company.

We hope that you will choose to remain invested in the Receiving Fund after the merger. If you would like more information, or have any questions about the merger, please contact your local Schroders office, your usual professional adviser or the Management Company on (+352) 341 342 202.

Yours faithfully,

Cecilia Vernerson
Authorised Signatory

Mike Sommer
Authorised Signatory