Schroders

Schroder International Selection Fund

Singapore Prospectus

(a Luxembourg domiciled open-ended investment company)

Dated: 30 October 2026
Valid till: 27 August 2027

SCHRODER INTERNATIONAL SELECTION FUND

ESTABLISHED IN LUXEMBOURG

Schroder International Selection Fund ("**SISF**") All China Equity	SISF Global Energy
SISF Asian Bond Total Return	SISF Global Equity
SISF Asian Convertible Bond	SISF Global Equity Alpha
SISF Asian Credit Opportunities	SISF Global Equity Income Plus
SISF Asian Dividend Maximiser	SISF Global Equity Yield
SISF Asian Equity Yield	SISF Global Gold
SISF Asian Local Currency Bond	SISF Global High Yield
SISF Asian Opportunities	SISF Global Inflation Linked Bond
SISF Asian Total Return	SISF Global Innovation
SISF BIC (Brazil, India, China)	SISF Global Multi-Asset Income
SISF China A	SISF Global Smaller Companies
SISF China A All Cap	SISF Global Sustainable Food and Water
SISF China Local Currency Bond	SISF Global Sustainable Growth
SISF China Opportunities	SISF Global Sustainable Value
SISF Commodity	SISF Global Target Return
SISF Dynamic Income	SISF Greater China
SISF EURO Corporate Bond	SISF Healthcare Innovation
SISF EURO Equity	SISF Hong Kong Equity
SISF EURO Government Bond	SISF Indian Equity
SISF EURO Short Term Bond	SISF Indian Opportunities
SISF Emerging Asia	SISF Inflation Plus
SISF Emerging Europe	SISF Japanese Equity
SISF Emerging Markets	SISF Japanese Opportunities
SISF Emerging Markets Debt Total Return	SISF Japanese Smaller Companies
SISF European Dividend Maximiser	SISF Latin American

SISF European Smaller Companies	SISF Multi-Asset Growth and Income
SISF European Special Situations	SISF QEP Emerging Markets Core
SISF European Sustainable Equity	SISF QEP Global Active Value
SISF European Value	SISF QEP Global Core
SISF Frontier Markets Equity	SISF QEP Global Quality
SISF Global Alternative Energy	SISF Robotics and Automation
SISF Global Bond	SISF Strategic Bond
SISF Global Cities	SISF Sustainable Asian Equity
SISF Global Climate Change Equity	SISF Swiss Equity
SISF Global Convertible Bond	SISF UK Equity[1]
SISF Global Corporate Bond	SISF US Dollar Bond
SISF Global Credit High Income	SISF US Dollar Liquidity
SISF Global Credit Income	SISF US Large Cap
SISF Global Dividend Maximiser	SISF US Small & Mid-Cap Equity
SISF Global Emerging Market Opportunities	SISF US Smaller Companies Impact

SINGAPORE PROSPECTUS

This Singapore Prospectus dated 30 October 2026 is a replacement prospectus lodged pursuant to Section 298 of the Securities and Futures Act 2001 of Singapore and replaces the Singapore prospectus registered by the Monetary Authority of Singapore on 28 August 2026.

This Singapore Prospectus incorporates and is not valid without the attached Luxembourg Prospectus dated September 2026 of Schroder International Selection Fund (the "**Luxembourg Prospectus**") Schroder International Selection Fund is an open-ended investment company established in Luxembourg and is constituted outside Singapore. Schroder International Selection Fund has appointed Schroder Investment Management (Singapore) Ltd as its agent for service of process and as its Singapore Representative in connection with the offer of Shares in the sub-funds of Schroder International Selection Fund which are recognised and available for investment in Singapore.

[1] With effect from 7 December 2026, the Sub-Fund's name will change to SISF European Core Equity.

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IMPORTANT INFORMATION

The collective investment schemes offered in this Singapore Prospectus, i.e. the sub-funds (the "**Sub-Funds**") of Schroder International Selection Fund (the "**Fund**") listed in paragraph 2 of this Singapore Prospectus, are recognised schemes under the Securities and Futures Act 2001 of Singapore (the "**SFA**"). A copy of this Singapore Prospectus has been lodged with and (where applicable) registered by the Monetary Authority of Singapore (the "**Authority**"). The Authority assumes no responsibility for the contents of this Singapore Prospectus. The lodgement or registration of this Singapore Prospectus by the Authority does not imply that the SFA or any other legal or regulatory requirements have been complied with. The Authority has not, in any way, considered the investment merits of the Sub-Funds.

You, as the investor, should note that references to other sub-funds or other share classes in the Luxembourg Prospectus which are not listed in paragraph 2 of this Singapore Prospectus are not available to investors in Singapore and are not and should not be construed as an offer of shares in such other sub-funds and share classes in Singapore.

You should note that the SISF US Dollar Liquidity is a money market fund ("MMF"). The purchase of a unit in a MMF is not the same as placing funds on deposit with a bank for deposit-taking company. Although the Management Company or the Investment Manager may seek to maintain or preserve the principal value of the MMF, there can be no assurance that the MMF will be able to meet this objective. A MMF is not a guaranteed fund and there is no guarantee as to the amount of capital invested or return received. Please see paragraph 4.2 of this Singapore Prospectus for further details.

This Singapore Prospectus is a replacement prospectus lodged with the Authority on 30 October 2026. It replaces the Singapore prospectus that was registered by the Authority is 28 August 2026 and will expire on 28 August 2027, i.e. 12 months from the date of registration.

This Singapore Prospectus relating to the Sub-Funds incorporates and is not valid without the Luxembourg Prospectus. Unless the context otherwise requires, terms defined in the Luxembourg Prospectus shall have the same meaning when used in this Singapore Prospectus except where specifically provided for in this Singapore Prospectus. Certain defined terms can be found in the "Definitions" section of the Luxembourg Prospectus. Unless otherwise provided in this Singapore Prospectus, the term "emerging markets" refers to countries included in any recognised emerging markets financial index, or additional countries that the Investment Manager (and, where applicable, the Sub-Investment Manager(s)) of the relevant Sub-Fund deems to be emerging market countries, and the term "frontier markets" refers to countries included in any recognised frontier markets financial index, or additional countries that the Investment Manager (and where applicable, the Sub-Investment Manager(s)) of the relevant Sub-Fund deems to be frontier market countries.

The Fund is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("**SICAV**") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time ("**Law**"). The Fund was incorporated on 5 December 1968 and its articles of association ("**Articles**") were published in the Mémorial on 16 December 1968. The Articles were last amended on 11 October 2024. The Fund exists for an indefinite period.

Each Sub-Fund may employ derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently in accordance with its investment policy and risk profile or for hedging and investment purposes in accordance with its risk profile or for hedging and investment purposes (as the case may be). Details of the use of derivatives by Money Market Funds, Mainstream Equity Funds, Specialist Equity Funds, Alpha Equity Funds, Quantitative Equity Funds, Absolute Return Funds, Mainstream Bond Funds, Specialist Bond Funds, Multi-Asset Funds and Asset Allocation Funds are set out in Appendix III of the Luxembourg Prospectus. All derivatives investments will be made in accordance with Appendix I of the Luxembourg Prospectus.

Please note that reference to any website in this Singapore prospectus is for information purposes only. They do not constitute or form part of any offer or solicitation to issue, sell, subscribe or purchase any investment, and should not be construed as a recommendation to buy or sell any investment product. The contents of the websites are without consideration to the specific investment objective, financial situation and particular needs of any specific person. No warranty or representation is given as to the accuracy or completeness of the contents of the websites and no reliance may be placed for any purpose on the information contained in the websites.

The Fund is registered with the Luxembourg register of commerce and companies under Number B-8202, where the Articles have been filed and are available for inspection. You can inspect copies of the Articles at the Singapore Representative's office at 138 Market Street, #23-01 CapitaGreen, Singapore 048946, during normal Singapore business hours.

The assets of the Fund are held in different Sub-Funds. Each Sub-Fund is a separate portfolio of securities managed in accordance with its specific investment objective. Separate classes of shares (the "**Shares**") are issued in relation to the Sub-Funds.

The Investment Manager of each Sub-Fund (and where applicable, the Sub-Investment Manager(s)) are disclosed in paragraph 3.2 of this Singapore Prospectus.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of Shares other than those contained in this Singapore Prospectus and, if issued, given or made, you must not rely on such advertisement, information or representations. Any purchase made by you on the basis of statements or representations not contained in or inconsistent with the information and representations contained in this Singapore Prospectus will be solely at your risk. Shares are offered on the basis of the information contained in this Singapore Prospectus and the documents referred to in this Singapore Prospectus. Neither the delivery of this Singapore Prospectus nor the offer, placement, subscription or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Singapore Prospectus is correct as of any time subsequent to the date hereof. To reflect material changes, this Singapore Prospectus may be updated from time to time and you should verify whether any more recent Singapore Prospectus is available.

You agree that personal details contained in the application form and data relating to you may be stored, modified or used in any other way by the Fund or any Investment Manager (or where applicable, any Sub-Investment Manager) or their associated companies within the Schroder group or any other company appointed by the Management Company for the purpose of administering and developing the business relationship with you.

The directors of the Fund (the "**Directors**") have taken all reasonable care to ensure that the information contained in this Singapore Prospectus is, to the best of their knowledge and belief, in

accordance with the facts and does not omit anything material to such information. The Directors accept responsibility accordingly.

The distribution of this Singapore Prospectus and the offering of the Shares may be restricted in certain jurisdictions. This Singapore Prospectus is not an offer or solicitation in any jurisdiction where such offer or solicitation is unlawful, where the person making the offer or solicitation is not authorised to make it or a person receiving the offer or solicitation may not lawfully receive it.

The value of the Sub-Funds will change with the value of their respective underlying investments. Hence, the capital value of Shares and the income arising from them will fluctuate and is not guaranteed. You are advised to carefully consider the risk factors set out in Appendix II of the Luxembourg Prospectus, and to refer to paragraph 7 of this Singapore Prospectus.

As at the date of this Singapore Prospectus, the maximum percentage of the deposited property of the SISF US Dollar Liquidity that can be invested in derivatives for the purpose of hedging currency and interest rate risk is 100%. The SISF US Dollar Liquidity will not be investing in derivatives for the purposes of tactical asset allocation or efficient portfolio management.

No application has been made for the Shares to be listed on the Singapore Exchange Securities Trading Limited. There is no secondary market for the Sub-Funds.

Save for Shares of the SISF US Dollar Liquidity, the Shares of each of the Sub-Funds are capital markets products other than prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 ("**SF(CMP)R**")) and Specified Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products (collectively, the "**MAS Notices**")).

As at the date of this Singapore Prospectus, Shares of the SISF US Dollar Liquidity are prescribed capital markets products (as defined in the SF(CMP)R) and Excluded Investment Products (as defined in the MAS Notices) ("**EIPs**"). For the purposes of classifying Shares of the Sub-Fund as prescribed capital markets products under the SF(CMP)R and as EIPs under the MAS Notices, notwithstanding anything in this Singapore Prospectus, the Sub-Fund will not invest in any product or engage in any transaction which may cause the Shares of the Sub-Fund not to be regarded as prescribed capital markets products under the SF(CMP)R and as EIPs under the MAS Notices.

You should seek professional advice to ascertain (a) the possible tax consequences, (b) the legal requirements and (c) any foreign exchange restrictions or exchange control requirements, which you may encounter under the laws of the countries of your citizenship, residence or domicile, and which may be relevant to the subscription, holding or disposal of Shares in the Sub-Funds. If you are in any doubt about the contents of this Singapore Prospectus, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser as to the suitability of investing in the Sub-Funds.

You should refer to the section headed "US Foreign Account Tax Compliance Act 2010 (FATCA) and OECD Common Reporting Standard 2016 ("**CRS**")" in the Luxembourg Prospectus for information on FATCA.

You should direct all enquiries in relation to the Sub-Funds to the Singapore Representative at 138 Market Street, #23-01 CapitaGreen, Singapore 048946.

DIRECTORY

BOARD OF DIRECTORS*

Chairman

Eric Bertrand, Non-Executive Director

Directors

Carla Bergareche, Head of Wealth Strategic Partnerships

Bernard Herman, Independent Director

Hugh Mullan, Independent Director

Ross Leach, Specialist Solutions

Wim Nagler, Head of Business Development, EMEA

Peter Nelson, Head of Product Development

Yves Francis, Independent Director

* Please note that the list of directors of the Fund may be changed from time to time without notice. Information on the latest list of directors of the Fund can be found in the latest available version of the Luxembourg Prospectus or any supplement or addendum thereto, which can be accessed from the Schroders webpage. This Singapore Prospectus will be amended at the earliest opportunity to reflect, *inter alia*, any changes in the list of directors of the Fund.

REGISTERED OFFICE

5 Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg

MANAGEMENT COMPANY AND DOMICILIARY AGENT

Schroder Investment Management (Europe) S.A., 5 Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg

INVESTMENT MANAGERS

- Schroder Investment Management Australia Limited, Level 17, 39 Martin Place, Sydney NSW 2000, Australia
- Schroder Investment Management (Switzerland) AG, Talstrasse 11, 8001 Zurich, Switzerland
- Schroder Investment Management Limited, One London Wall Place, London EC2Y 5AU, United Kingdom
- Schroder Investment Management North America LLC, 7 Bryant Park, New York, New York 10018-3706, United States of America
- Schroder Investment Management (Hong Kong) Limited, Level 33, Two Pacific Place, 88 Queensway, Hong Kong
- Schroder Investment Management (Japan) Limited, 27th floor, TOKYO TORCH Tokiwabashi Tower, 2-6-4 Otemachi, Chiyoda-Ku, Tokyo 100-0004, Japan
- Schroder Investment Management (Singapore) Ltd, 138 Market Street, #23-01 CapitaGreen, Singapore 048946

- ❖ Schroder Investment Management (Europe) S.A. – German Branch, Taunustor 1 (TaunusTurm) D-60310 Frankfurt am Main, Germany

DEPOSITARY, FUND ADMINISTRATOR AND LISTING AGENT

J.P. Morgan SE, Luxembourg Branch, European Bank & Business Centre, 6, route de Trèves, L-2633 Senningerberg, Grand Duchy of Luxembourg

AGENT FOR SERVICE OF PROCESS IN SINGAPORE

Schroder Investment Management (Singapore) Ltd, 138 Market Street, #23-01 CapitaGreen, Singapore 048946

SINGAPORE REPRESENTATIVE AND SINGAPORE SUB-DISTRIBUTOR

Schroder Investment Management (Singapore) Ltd, 138 Market Street, #23-01 CapitaGreen, Singapore 048946

INDEPENDENT AUDITORS

KPMG Audit S.à r.l., 39, Avenue John F. Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg

TRANSFER AGENT, REGISTRAR AND PRINCIPAL PAYING AGENT

HSBC Continental Europe, Luxembourg (previously known as, HSBC France, Luxembourg branch), 18, Boulevard de Kockelscheuer, L-1821 Luxembourg, Grand Duchy of Luxembourg

LEGAL ADVISERS AS TO LUXEMBOURG LAW

Elvinger Hoss Prussen, société anonyme, 2, place Winston Churchill, L-1340 Luxembourg, Grand Duchy of Luxembourg

LEGAL ADVISERS AS TO SINGAPORE LAW

Allen & Gledhill LLP, One Marina Boulevard #28-00, Singapore 018989

SCHRODER INTERNATIONAL SELECTION FUND

1. THE FUND

The Fund is an open-ended investment company organised as a "société anonyme" under the laws of the Grand Duchy of Luxembourg and qualifies as a SICAV. The Fund's assets are held in different Sub-Funds. Each Sub-Fund is a separate portfolio of securities managed in accordance with its specific investment objective. Separate Share Classes are issued in relation to each of the Sub-Funds. Full details of the Fund and the Sub-Funds are set out under the headings "The Company", "Company Information", "General Information" and "Fund Details" in the Luxembourg Prospectus. The Fund and each Sub-Fund are referred to as the "Company" and a "Fund" respectively in the Luxembourg Prospectus.

The Fund constitutes a single legal entity, but the assets of each Sub-Fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Sub-Fund and the assets of a specific Sub-Fund are solely accountable for the liabilities, commitments and obligations of that Sub-Fund.

Certain Shares may be listed on the Luxembourg Stock Exchange as well as any other recognised stock exchange. The Directors may at any time resolve to set up new Sub-Funds and/or create within each Sub-Fund one or more Share Classes. Class A, A1, AX, C, F, K1, I, IZ, V, X, Y, Y1 and Z Shares may be made available for investment in relation to any or all of the Sub-Funds by the Directors at their discretion and Shares may be offered in a currency other than the Sub-Fund's base currency as a new Share Class. The base currency of each Sub-Fund is set out in the Sub-Fund's details in Appendix III of the Luxembourg Prospectus. The base currency of each Sub-Fund is referred to as the "Fund Currency" in the Luxembourg Prospectus. The Directors may also at any time resolve to close a Sub-Fund, or one or more Share Classes within a Sub-Fund, to further subscriptions.

2. THE SUB-FUNDS

2.1 The Fund comprises various types of Sub-Funds, including money market funds, mainstream, specialist, style, alpha and quantitative equity funds, asset allocation and multi-asset funds, multi-manager funds, absolute return funds, mainstream and specialist bond funds, defensive funds and liquidity funds. The table in paragraph 2.2 lists the investor profile suitable for each Sub-Fund type. The Fund currently offers investors in Singapore the Share Classes in the Sub-Funds listed in Section B 'Total Expense Ratios and Turnover Ratios' of Annexure III to this Singapore Prospectus. This Singapore Prospectus will be updated as and when additional Sub-Funds or Share Classes are recognised by the Authority and made available for investment.

Unless otherwise specified, references in this Singapore Prospectus to Class A, Class A1, Class AX, Class C, Class F, Class I, Class IZ, Class K1, Class V, Class X, Class Y, Class Y1 and Class Z Shares shall refer to the relevant Accumulation and/or Distribution Share Classes (where applicable) of each such class.

2.2 The subscription proceeds of Shares in a Sub-Fund are invested in one common underlying portfolio of investments. The allocation of the assets and liabilities of the Fund to each Sub-Fund is described in the Articles. All Shares of the same Share Class have equal rights and privileges. Each Share is, upon issue, entitled to participate equally in assets of the Sub-Fund to which it relates on liquidation. Each Share Class of Distribution Shares in a Sub-Fund is entitled to participate equally in dividends and other distributions as declared for such Share

Class of Distribution Shares in the Sub-Fund. The Shares will carry no preferential or pre-emptive rights and each whole Share will be entitled to one vote at all meeting of Shareholders.

The Fund offers different types of Distribution Share Classes. Distribution Share Classes may differ in terms of their distribution frequency and in terms of the basis for calculating the dividend. **Dividends may be paid out of capital and further reduce the relevant Sub-Fund's Net Asset Value.** Dividends paid out of capital could be taxed as income in certain jurisdictions. Please refer to the section headed "Dividends" in the Luxembourg Prospectus for more details.

Holders of the Distribution Shares of the Sub-Funds offered in this Singapore Prospectus may receive dividends in the form of cash in the relevant Share Class currency. Dividends may also be paid in alternative currencies upon request. Where no payment instruction is provided via the application form by a holder of Distribution Shares, dividends will be automatically reinvested by the Fund in further Shares of the same Share Class. Shareholders may instead elect to receive dividends in the form of cash in the relevant Share Class currency. However, dividends will not be distributed in cash if their amount is below EUR50 or its equivalent in another currency. Such amounts will automatically be reinvested in new Shares of the same Share Class. Please note that dividends payable on Class V Shares cannot be automatically reinvested and will be paid in cash.

Distribution Share Classes may be issued with different distribution frequencies or attributes within the same Sub-Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual
Distribution type: **F** = fixed, **T** = Variable T[2] or **V** = variable
Currency carry[3]: **C**
Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Share Class name.
Variable T Distribution Rates: A numerical suffix will differentiate the relatively stable distribution rates (e.g. 2, 3). The actual percentage or amount will not be displayed in the Share Class name.

In respect of the variable T distribution type, the Investment Manager will seek to provide a relatively stable dividend distribution based upon expected investment income and/or realised and unrealised capital gains as well as from capital, where necessary, within the limits set up by Luxembourg law for the period before deduction of expenses. The Investment Manager will determine the dividends as a percentage or amount of the Net Asset Value per Share and will periodically review these Distribution Share Classes and reserves the right to make changes. The "variable T" share classes may be issued in different currency denominations or distribution frequencies.

Accumulation Share Classes of a Sub-Fund accumulate net income received from the Sub-Fund's investments, meaning it is kept in the Sub-Fund and its value is reflected in the price of the Shares in the Share Classes.

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[2] This refers to share classes that seek to deliver a relatively stable distribution rate as further described under section "Dividends" of the Luxembourg Prospectus. The Directors will periodically review these Distribution Share Classes and reserve the right to make changes.

[3] This refers to the premium or discount that may apply to the distribution. Distributions may include a premium when the interest rate of a currency hedged Share Class is higher than the Sub-Fund's base currency interest rate. Consequently when the interest rate of a currency hedged Share Class is lower than the Sub-Fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the Sub-Fund's investment objective or investment policy.

Each Share Class may have a different fee structure, currency or other specific feature. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Share Class.

Hedged Share Classes of a Sub-Fund aim to provide investors with the performance returns of the Sub-Fund's investments in the Sub-Fund's base currency by reducing the effects of exchange rate fluctuations between the relevant Share Class currency and the Sub-Fund's base currency taking into account practical considerations, including transaction costs.

For the SISF QEP Global Active Value, the Investment Manager undertakes the hedging of the Shares of the hedged Share Classes by considering the relevant proportionate underlying currency exposures of the Sub-Fund. Performance of these hedged Share Classes may therefore vary significantly from equivalent Share Classes in the Sub-Fund's base currency.

For the SISF Global Bond, the Investment Manager, or where applicable the Sub-Investment Manager, undertakes the hedging of the Shares of the hedged Share Classes by considering the relevant underlying currency exposures within the benchmark of the Sub-Fund. Performance of these hedged Share Classes may therefore vary significantly from equivalent Share Classes in the Sub-Fund's base currency.

Full details of the specific features of the various Share Classes are set out under the heading "Share Classes" in Appendix III of the Luxembourg Prospectus. Please also refer to the Sub-Funds' details in Appendix III of the Luxembourg Prospectus for details of each Sub-Fund and its Share Classes.

The typical investor profile for each Sub-Fund type is as follows:

Mainstream Equity Funds	Investors seeking long term growth potential offered through investment in equities.
Specialist Equity Funds Alpha Equity Funds Asset Allocation Funds	Investors who are more concerned with maximising long term returns than minimising possible short term losses.
Quantitative Equity Funds	Investors who are seeking long term growth potential offered through investment in equities.
Absolute Return Funds Mainstream Bond Funds	Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.
Specialist Bond Funds	Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term (other than the SISF Asian Bond Total Return). SISF Asian Bond Total Return may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.
Multi-Asset Funds	SISF Global Multi-Asset Income: Suitable for Investors who desire a sustainable level of income with some capital

	growth, offered through investment in a range of asset classes. SISF Inflation Plus: Suitable for Investors who seek real value (a positive rate of return after inflation) offered through investment in a range of asset classes. SISF Global Target Return: Medium risk vehicle that will be suitable for Investors who are seeking long term growth potential through investment in a diversified portfolio offering exposure to a range of asset classes. SISF Dynamic Income and SISF Multi-Asset Growth and Income: Suitable for Investors seeking long term growth potential and income through investment in a diversified portfolio offering exposure to a range of asset classes.
Money Market Funds	Investors who are more concerned with the provision of liquidity and preservation of the value of their investments in the event of falling markets.

2.3 Please refer to paragraphs 4 and 6 of this Singapore Prospectus for the investment objective of each Sub-Fund and the applicable fees and expenses for each Share Class respectively.

3. MANAGEMENT AND ADMINISTRATION

Full details on the management and administration of the Fund are set out under the heading "General Information" in the Luxembourg Prospectus.

3.1 Board of Directors

The Directors are responsible for the stewardship of all of the Fund's affairs. Each Director is entitled to remuneration for his services at a rate determined by the Fund at the general meeting from time to time. In addition, each Director may be paid reasonable expenses incurred while attending meetings of the Board of Directors or general meetings of the Fund. Directors who are also directors/employees of the Management Company and/or any Schroders' company will waive their Directors' remuneration.

3.2 Investment Managers, Sub-Investment Managers and Investment Advisers

As at the date of this Singapore Prospectus, the Investment Managers and (where applicable) the Sub-Investment Managers and the Investment Advisers of the respective Sub-Funds are as follows:-

No.	Sub-Fund	Investment Manager	Sub-Investment Manager(s)
1.	SISF EURO Equity	SIML	N/A
2.	SISF Japanese Equity	SIMJL	N/A
3.	SISF Asian Opportunities	SIMSL	N/A
4.	SISF Swiss Equity	SIMSAG	N/A

5.	SISF UK Equity[4]	SIML	N/A
6.	SISF Global Equity	SIML	N/A
7.	SISF US Large Cap	SIMEU German Branch	N/A
8.	SISF Asian Dividend Maximiser	SIML	N/A
9.	SISF Asian Equity Yield	SIMSL	N/A
10.	SISF Sustainable Asian Equity	SIMSL	N/A
11.	SISF BIC (Brazil, India, China)	SIML	N/A
12.	SISF Emerging Asia	SIMHK	N/A
13.	SISF Emerging Europe	SIML	N/A
14.	SISF Emerging Markets	SIML	N/A
15.	SISF European Dividend Maximiser	SIML	N/A
16.	SISF European Smaller Companies	SIML	N/A
17.	SISF Frontier Markets Equity	SIML	N/A
18.	SISF European Special Situations	SIML	N/A
19.	SISF Global Climate Change Equity	SIML	N/A
20.	SISF Global Emerging Market Opportunities	SIML	N/A
21.	SISF Global Energy	SIML	N/A
22.	SISF Global Dividend Maximiser	SIML	N/A
23.	SISF Global Equity Yield	SIML	N/A
24.	SISF Global Gold	SIML	N/A
25.	SISF Global Cities	SIML	N/A
26.	SISF Global Innovation	SIML	N/A
27.	SISF Global Alternative Energy	SIML	N/A
28.	SISF Global Smaller Companies	SIML	SIMNA
29.	SISF Global Sustainable Growth	SIML	SIMNA
30.	SISF Greater China	SIMHK	N/A
31.	SISF Healthcare Innovation	SIML	N/A
32.	SISF Hong Kong Equity	SIMHK	N/A
33.	SISF Indian Opportunities	SIMSL	N/A

[4] With effect from 7 December 2026, the Sub-Fund's name will change to SISF European Core Equity.

34.	SISF Japanese Opportunities	SIMJL	N/A
35.	SISF Japanese Smaller Companies	SIMJL	N/A
36.	SISF Latin American	SIML	N/A
37.	SISF Robotics and Automation	SIML	N/A
38.	SISF US Smaller Companies Impact	SIMNA	N/A
39.	SISF Asian Total Return	SIMSL	N/A
40.	SISF China Opportunities	SIMHK	N/A
41.	SISF US Small & Mid-Cap Equity	SIMNA	N/A
42.	SISF European Value	SIML	N/A
43.	SISF Global Sustainable Food and Water	SIML	N/A
44.	SISF China A	SIMHK	N/A
45.	SISF Global Equity Alpha	SIMEU German Branch	N/A
46.	SISF QEP Global Active Value	SIML	N/A
47.	SISF QEP Global Core	SIML	N/A
48.	SISF QEP Global Quality	SIML	N/A
49.	SISF Emerging Markets Debt Total Return	SIML	N/A
50.	SISF EURO Short Term Bond	SIML	N/A
51.	SISF EURO Government Bond	SIML	N/A
52.	SISF Global Inflation Linked Bond	SIML	SIMSL
53.	SISF US Dollar Bond	SIMNA	N/A
54.	SISF Global Bond	SIML	SIMNA SIMSL
55.	SISF Asian Credit Opportunities	SIMSL	N/A
56.	SISF EURO Corporate Bond	SIMEU German Branch	SIML
57.	SISF Global Corporate Bond	SIMNA	SIML SIMSL
58.	SISF Global High Yield	SIMNA	SIML
59.	SISF Strategic Bond	SIML	SIMNA SIMSL

60.	SISF Asian Local Currency Bond	SIMSL	N/A
61.	SISF Global Credit High Income	SIML	SIMNA SIMSL
62.	SISF Asian Convertible Bond	SIML	N/A
63.	SISF Global Convertible Bond	SIML	N/A
64.	SISF Global Credit Income	SIML	SIMNA SIMSL
65.	SISF Asian Bond Total Return	SIMSL	N/A
66.	SISF China Local Currency Bond	SIMSL	N/A
67.	SISF Global Multi-Asset Income	SIML	SIMNA SIMSL SIMHK
68.	SISF Inflation Plus	SIML	N/A
69.	SISF Global Target Return	SIMAL	SIMNA SIML
70.	SISF Commodity	SIML	N/A
71.	SISF All China Equity	SIMHK	N/A
72.	SISF China A All Cap	SIMHK	N/A
73.	SISF European Sustainable Equity	SIML	N/A
74.	SISF Global Sustainable Value	SIML	N/A
75.	SISF Dynamic Income	SIML	SIMHK
76.	SISF US Dollar Liquidity	SIMNA	N/A
77.	SISF Multi-Asset Growth and Income	SIML	SIMNA SIMHK
78.	SISF Indian Equity	SIMSL	N/A
79.	SISF QEP Emerging Markets Core	SIML	N/A
80.	SISF Global Equity Income Plus	SIML	N/A

No.	**Sub-Fund**	**Investment Adviser**
1.	SISF Indian Opportunities	Axis Asset Management Company Limited
2.	SISF Indian Equity	Axis Asset Management Company Limited

Schroder Investment Management Limited ("**SIML**") is domiciled in the United Kingdom and has been managing collective investment schemes and discretionary funds since 1985. Schroder Investment Management Limited is regulated by the Financial Conduct Authority.

Schroder Investment Management (Singapore) Ltd ("**SIMSL**") is domiciled in Singapore and has been managing collective investment schemes and discretionary funds in Singapore since 1992. Schroder Investment Management (Singapore) Ltd is regulated by the Monetary Authority of Singapore.

Schroder Investment Management (Hong Kong) Limited ("**SIMHK**") is domiciled in Hong Kong SAR and has been managing funds since 1974. Schroder Investment Management (Hong Kong) Limited is regulated by the Hong Kong Securities and Futures Commission.

Schroder Investment Management North America LLC ("**SIMNA**") is domiciled in the United States of America and has been managing funds since 1999. Schroder Investment Management North America LLC is regulated by the United States Securities and Exchange Commission.

Schroder Investment Management (Switzerland) AG ("**SIMSAG**") is domiciled in Switzerland and has been managing funds since 1967. Schroder Investment Management (Switzerland) AG is regulated by the Swiss Financial Market Supervisory Authority.

Schroder Investment Management (Japan) Limited ("**SIMJL**") is domiciled in Japan and has been managing funds since 1987. Schroder Investment Management (Japan) Limited is regulated by the Financial Services Agency.

Schroder Investment Management Australia Limited ("**SIMAL**") is domiciled in Australia and has been managing collective investment schemes and discretionary funds since 1961. Schroder Investment Management Australia Limited is regulated by the Australian Securities & Investments Commission.

Schroder Investment Management (Europe) S.A. – German Branch ("**SIMEU German Branch**") is based in Germany and has been managing funds since 2019. Schroder Investment Management (Europe) S.A. – German Branch is a branch of the Luxembourg-domiciled Schroder Investment Management (Europe) S.A., and is not a separate legal entity. Schroder Investment Management (Europe) S.A. – German Branch is regulated by the Luxembourg Commission de Surveillance du Secteur Financier ("**CSSF**") and the German Federal Financial Services Authority (BaFin).

SIML, SIMSL, SIMHK, SIMNA, SIMSAG, SIMJL, SIMAL and SIMEU German Branch are all wholly-owned subsidiaries of Schroders Limited. The history of the Schroders group dates back more than 200 years when Schroders was founded as a merchant bank in 1804.

The Investment Managers may on a discretionary basis acquire and dispose of securities of the Sub-Funds, subject to and in accordance with instructions received from the Management Company and/or the Fund from time to time, and in accordance with stated investment objectives and restrictions. The Investment Managers are entitled to receive as investment management fees (referred to as an Annual Management Charge), as described in paragraph 6. Such fees are calculated and accrued on each Dealing Day based on the Net Asset Value of the relevant Sub-Fund or Share Class as may be appropriate and paid monthly in arrears. Investment Managers may, at their own expenses, seek advice from investment advisers.

Each Investment Manager may appoint one or more other Schroders group companies, at its own expense and responsibility, to manage all or part of the assets of a Sub-Fund or to provide recommendations or advice on any part of the investment portfolio (each a "**Sub-Investment Manager**"). Any Sub-Investment Manager appointed by an Investment Manager may, in turn, appoint another Schroders group entity to manage all or part of a Sub-Fund's assets, subject to the prior written consent of the Investment Manager. The Schroders group entities which

may act as Sub-Investment Managers are those eligible to act as Investment Managers and are listed at the beginning of the Luxembourg Prospectus.

The Sub-Investment Managers provide their investment management services (i) under the supervision of the Management Company and the Investment Manager, (ii) in accordance with instructions received from and investment allocation criteria laid down by the Management Company and/or the Investment Manager from time to time, and (iii) in compliance with the investment objectives and policies of the relevant Sub-Fund.

Investors should note that the Investment Managers, Sub-Investment Managers and/or Investment Advisers (as applicable) of the respective Sub-Funds are subject to change from time to time and such change will be updated at the next Singapore Prospectus registration date. The updated list of Investment Managers, Sub-Investment Managers and/or Investment Advisers (as applicable) for each Sub-Fund is available at https://www.schroders.com/en-lu/lu/professional/funds-and-strategies/fund-administration/sub-delegations/ and is also obtainable from the Singapore Representative.

Past performance of the Investment Managers and the Sub-Investment Managers is not necessarily indicative of their future performance.

3.3 Management Company

The Directors have appointed Schroder Investment Management (Europe) S.A. as the Management Company to perform investment management, administration and marketing functions, within the meaning of the Law relating to undertakings for collective investment. The Management Company is licensed and regulated by the CSSF. The Management Company may delegate certain administrative, distribution and management functions to specialised service providers including to J.P. Morgan SE, Luxembourg Branch, HSBC Continental Europe, Luxembourg and HSBC Bank Plc, as well as entities within the Schroders group and the appointed Investment Managers. The Management Company has also appointed HSBC Bank Plc as its FX overlay services provider to undertake some or all currency and hedging policy-related activities as described in the Luxembourg Prospectus.

The Management Company has delegated its transfer agency, registrar and principal paying agent activities with respect to the Fund to HSBC Continental Europe, Luxembourg (previously known as, HSBC France, Luxembourg branch) ("**HSBC CE**"). HSBC CE has in turn delegated such activities to Schroder Investment Management (Hong Kong) Limited.

The Management Company was established in Luxembourg on 23 August 1991 and has been subject to CSSF supervision since inception in relation to the management of funds. The CSSF approved the Management Company as a UCITS management company on 12 August 2005. The Management Company has been appointed management company of other funds but has similarly delegated its management functions for such funds to other investment managers.

Past performance of the Management Company is not necessarily indicative of its future performance.

3.3A Directors of the Management Company

Peter Hilborne

Peter Hilborne is a director of the Management Company and currently serves as Group Chief Operating Officer, Global Operating Platform at Schroders. Before joining Schroders in 2017, Peter was Global Head of Solutions at Columbia Threadneedle Investments from 2006 to

2017. He was previously Head of Operational Controls at Barclays Global Investors from 2005 to 2006 and a Senior Manager at PricewaterhouseCoopers from 1992 to 2005. Peter holds a BA (Hons) in Economics and Accounting from Durham University, United Kingdom.

Finbarr Browne

Finbarr Browne has served as the Luxembourg Country Head for Schroders since January 2020. He is a director of the Management Company and the Conducting Officer responsible for Investment Management, Accounting and the oversight of all activities performed by SIM EU's branches. Schroders has operated in Luxembourg for more than 30 years, with assets under management of approximately €190bn across public and private market investment strategies. In addition to his Luxembourg role, Finbarr is the Global Head of Fund Platform. He joined the board of directors of ALFI (Luxembourg Fund Industry Association) in February 2020. He has previously held regional and global roles in Operations, Finance and Change Management during his more than 20 years with Schroders Group. He has also worked Deloitte and Brown Brothers Harriman before joining Schroders.

Vanessa Grueneklee

Vanessa Grueneklee is a director of the Management Company and the Conducting Officer responsible for Marketing activities. She is currently the Global Head of Client Service Delivery at Schroders. Before joining Schroders in 2018, Vanessa held several positions at AXA Investment Managers Deutschland GmbH between 1999 to 2018, including serving as Head of Retail Operations, Head of Cross Border Client Operations Management, Head of European Client Operations, and Global Head of Client Operations and Distribution Support. Before her time at AXA, Vanessa worked at Enskilda Securities in Paris and Frankfurt, from 1997 to 1999. She holds a Masters in Finance and Information Technology from Université Paris IX Dauphine, France, and a Masters in Management of Financial Market Operations from Université de Lyon, France.

Mike Sommer

Mike Sommer is a director of the Management Company and the Conducting Officer responsible for Risk and Compliance Europe. He is responsible for product and legal entity compliance within SIM EU's local risk management framework, as well as Schroders' Investment Risk Framework and Groups Operational Risk Management framework (EMEA region, excluding the UK and Switzerland). Before joining Schroders in 2019, Mike was Conducting Officer and Head of Risk Management at FTIS S.à r.l. from 2017 to 2019. He previously held several roles within Franklin Templeton Investments in Luxembourg from 2007 to 2017, including Compliance & Risk Officer/MLRO and Head of Risk Management, with responsibility for regulatory investment risk compliance in EMEA. Mike holds a degree in Economics from the University of Trier in Germany and is the current Co-Chair of the ALFI Real Assets Risk Management Working Group

Garth Taljard

Garth Taljard is a director of the Management Company. He is the Global Head of Investment Product and Multi-Asset Management and is responsible for Investment Product across public markets, delivering the highest quality solutions for clients globally across equities, fixed income and multi-asset.

Prior to joining Schroders in 2011, Garth was a Portfolio Manager with Old Mutual in South Africa from 2000-2010, managing the largest absolute return strategy in the country at the

time. Garth holds a Bachelor of Business Science in Actuarial Science from the University of Cape Town, a CFA charter, and is a Fellow of the Institute and Faculty of Actuaries.

Ed Mitchell

Ed Mitchell is Head of Client Group Strategy Execution & Delivery and is an accomplished senior executive with extensive international experience across asset management, wealth management, and investment banking. Most recently, Ed served as Managing Director and Global Head of Distribution Business Operations at BNY Investments, where he was a member of the Global Distribution Executive Committee and the Investments Extended Leadership Team. He was also co-COO for BNY's Business Management and Client Committee, covering all businesses across the BNY group. Prior to this, Ed was Integration Director at Henderson Global Investors for the $320bn merger between Henderson and Janus Capital. Before the merger, he was Business Director for the Investment Management Division. Earlier in his career, Ed spent eight years at Barclays in London and Singapore, progressing through senior roles in wealth management, private banking, and investment banking, including Chief Operating Officer for the Global Chief Controls Office and Chief of Staff to the Asia CEO of Private Banking. Ed began his career at PayPoint and McLagan Partners before moving into senior leadership roles. He holds a BA in Business Finance from the University of Durham.

Marcel Vogt

Marcel Vogt is the Chief Operating Officer Private Debt & Credit Alternatives (PDCA) within Schroders Capital, based in Zurich. He joined Schroders in April 2018, initially as COO of Schroder Investment Management (Switzerland) AG and as a member of the Board of Management until February 2024. He was previously Senior Project Manager for Funds Investment Projects at Credit Suisse Funds AG from 2014 to 2018. Marcel held several senior positions in Operations, Middle Office and Project Management with Man Investments in Switzerland and the UK from 2003 to 2014. He holds a Master of Advanced Studies ZFH in Project Management from the University of Applied Sciences in Business Administration Zurich.

3.4 The Singapore Representative

3.4.1 Schroder Investment Management (Singapore) Ltd has been appointed by the Fund as the corporate representative for the Sub-Funds in Singapore pursuant to section 287 of the SFA (the "**Singapore Representative**") to provide and maintain certain administrative and other facilities in respect of the Sub-Funds.

In particular, the Singapore Representative shall carry out the following functions:-

(i) facilitate the issue and redemption of Shares in each Sub-Fund, in particular:

(a) receive and send all applications for the issue of Shares and requests for the switching or redemption of Shares;

(b) receive and remit in such manner as the Fund may direct in writing, subscription monies in respect of applications for the issue of Shares, and issue to applicants receipts in respect of such monies;

(ii) publish and provide information orally or in writing to Shareholders on the most recent published Net Asset Value per Share;

(iii) facilitate the sending of reports of each Sub-Fund or the Fund to Shareholders;

(iv) facilitate the furnishing of such books relating to the sale and redemption of Shares in each Sub-Fund which has been purchased, redeemed or switched through the Singapore Representative or as the Authority may require, subject at all times to compliance with applicable Luxembourg laws including banking secrecy laws;

(v) facilitate the inspection of instruments constituting the Fund and each Sub-Fund;

(vi) maintain on behalf of the Fund for inspection in Singapore (a) a subsidiary register of Shareholders who subscribed for or purchased Shares of each Sub-Fund in Singapore ("**Singapore Shareholders Register**") or (b) any facility that enables the inspection or extraction of the equivalent information;

(vii) procure the payment of amounts due from each Sub-Fund to Shareholders in respect of the proceeds of the redemption of Shares or any liquidation proceeds;

(viii) give notice (within 14 days) of any change in the contact particulars or registered office of the Singapore Representative, the agent appointed to accept service of process and such other information as the Authority may prescribe;

(ix) furnish such information or record regarding the Sub-Funds and/or the Fund generally available to Shareholders or as the Authority may at any time require, subject at all times to compliance with applicable Luxembourg laws including banking secrecy laws;

(x) make available at the Singapore Representative's office for public inspection free of charge, and offer copies to Shareholders and/or applicants the Articles, the latest annual report and semi-annual report (if any) of the Fund and such other documents required to be made available under the SFA and the Code on Collective Investment Schemes issued by the Authority (as the same may be amended from time to time) (the "**Code**");

(xi) make available at the Singapore Representative's office to Shareholders and/or applicants details or copies of any notices, advertisements, circulars and other documents of a similar nature which have been given or sent to Shareholders;

(xii) arrange for the publication of notices, advertisements, circulars and other documents of that nature in relation to the Fund or which have been given to Shareholders, or a summary of any such document, as may be required by the Fund, which documents may relate, *among others*, to:

(a) the publication of annual reports and semi-annual reports of the Fund, as the case may be;

(b) the publication of any updated or revised prospectus and any amendments thereto;

(c) any amendment to the Articles;

(d) the calling of any meetings of Shareholders;

(e) the declaration of dividends of each Sub-Fund or the Fund; and

(f) any revocation of the recognition of any of the Sub-Funds as recognised schemes under section 287 of the SFA by the Authority;

(xiii) accept on behalf of the Fund service of all notices and other documents addressed to the Fund by any Shareholder and immediately dispatch the same to the Fund;

(xiv) in consultation with the Fund, perform on behalf of the Fund all acts and things in Singapore which are necessary to comply with the provisions of the SFA, the Securities and Futures (Offers of Investments) (Collective Investment Schemes) Regulations 2005 (as the same may be amended from time to time) and the Code and for maintaining the status of the Sub-Funds as recognised schemes under section 287 of the SFA;

(xv) such other duties and obligations as may be agreed in writing between the Fund and the Singapore Representative from time to time; and

(xvi) such other functions as the Authority or any other applicable regulatory authority may prescribe.

3.4.2 The Singapore Shareholders Register is available for inspection by Singapore Shareholders at the Singapore Representative's office or at the office of such Singapore registrar agent as may from time to time be appointed by the Singapore Representative. You should check with the Singapore Representative for further details.

3.4.3 Schroder Investment Management (Singapore) Ltd has been appointed by the Fund to act as the Fund's local agent in Singapore to accept service of process on behalf of the Fund.

3.5 Depositary

J.P. Morgan SE, Luxembourg Branch has been appointed by the Fund as the depositary bank of the Fund in charge of (i) the safekeeping of the assets of the Fund (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as may be agreed in writing from time to time between the Fund and the Depositary.

J.P. Morgan SE is a European Company (*Societas Europaea*) organized under the laws of Germany, having its registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany and is registered with the commercial register of the local court of Frankfurt. It is a credit institution subject to direct prudential supervision by the European Central Bank (ECB), the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin) and *Deutsche Bundesbank*, the German Central Bank; J.P. Morgan SE, Luxembourg Branch is authorized by the CSSF to act as depositary and fund administrator and is licensed to engage in all banking operations under the laws of the Grand Duchy of Luxembourg. The principal activities of J.P. Morgan SE, Luxembourg Branch are custodial and investment administration services. J.P. Morgan SE, Luxembourg Branch is registered in the Luxembourg Trade and Companies' Register (RCS) under number B255938 and is subject to the supervision of the aforementioned home state supervisory authorities as well as local supervision by the CSSF.

The Depositary is entrusted with the safekeeping of the Fund's assets. For the financial instruments which can be held in custody, they may be held either directly by the Depositary or, to the extent permitted by applicable laws and regulations, through every third-party

custodian/sub-custodian providing, in principle, the same guarantees as the Depositary itself, i.e. for Luxembourg institutions to be a credit institution within the meaning of the Luxembourg law of 5 April 1993 on the financial sector or for foreign institutions, to be a financial institution subject to the rules of prudential supervision considered as equivalent to those provided by EU legislation. The Depositary also ensures that the Fund's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Fund has been booked in the cash account in the name of (i) the Fund, (ii) the Management Company on behalf of the Fund or (iii) the Depositary on behalf of the Fund.

In addition, the Depositary shall:

(A) ensure that the sale, issue, repurchase, redemption and cancellation of the Shares of the Fund are carried out in accordance with Luxembourg law and the Articles;

(B) ensure that the value of the Shares of the Fund is calculated in accordance with Luxembourg law and the Articles;

(C) carry out the instructions of the Fund, unless they conflict with Luxembourg law or the Articles;

(D) ensure that in transactions involving the Fund's assets any consideration is remitted to the Fund within the usual time limits;

(E) ensure that the Fund's income is applied in accordance with Luxembourg law and the Articles.

The Depositary regularly provides the Fund with a complete inventory of all assets of the Fund.

Pursuant to the provisions of the Depositary and Custodian Agreement, the Depositary may, subject to certain conditions and in order to more efficiently conduct its duties, delegate part or all of its safekeeping duties over the Fund's assets including but not limited to holding assets in custody or, where assets are of such a nature that they cannot be held in custody, verification of the ownership of those assets as well as record-keeping for those assets, to one or more third-party delegates appointed by the Depositary from time to time.

The Depositary shall exercise due skill, care and diligence in choosing and appointing the third-party delegates and in the periodic review and ongoing monitoring of any such third-party delegates and of the arrangements of the third party in respect of the matters delegated to it.

The liability of the Depositary shall not be affected by the fact that it has entrusted all or some of the Fund's assets in its safekeeping to such third-party delegates.

In the case of a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of an identical type or the corresponding amount to the Fund without undue delay, except if such loss results from an external event beyond the Depositary's reasonable control and the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

As part of the normal course of global custody business, the Depositary may from time to time have entered into arrangements with other clients, funds or other third parties for the provision of safekeeping, fund administration or related services. Within a multi-service banking group such as JPMorgan Chase Group, from time to time conflicts may arise (i) from the delegation by the Depositary to its safekeeping delegates or (ii) generally between the interests of the Depositary and those of the Fund, its Shareholders or the relevant Investment Manager or Sub-Investment Manager; for example, where an affiliate of the Depositary is providing a

product or service to a fund and has a financial or business interest in such product or service or receives remuneration for other related products or services it provides to the funds, for instance foreign exchange, securities lending, pricing or valuation, fund administration, fund accounting or transfer agency services. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will at all times have regard to its obligations under applicable laws including Article 25 of the UCITS V Directive.

The Depositary follows a third party oversight process in the selection and on-going monitoring of third party delegates. The Depositary's selection and on-going monitoring criteria include inter-alia a review of financial standing of the provider as well as performance against defined standards of services and local legal advice on protection of assets on insolvency and other relevant issues. The Depositary maintains a governance framework via regular meetings and management information system to ensure adherence to the Depositary's policies and procedures.

A list of delegates appointed by the Depositary is available in Appendix IV of the Luxembourg Prospectus. Up-to-date information on the identity of the Depositary, its duties, of conflicts of interest, of the delegated safekeeping functions and of any conflicts of interest that may arise from such a delegation (or, if applicable, sub-delegation) will be made available to Investors on request.

3.6 Independent Auditor

The independent auditor of the Fund is KPMG Audit S.à.r.l.

4. INVESTMENT OBJECTIVES AND STRATEGIES / PRODUCT SUITABILITY

4.1 The investment objective and investment policy of each Sub-Fund are set out in the Sub-Fund's details in Appendix III of the Luxembourg Prospectus. The investment objectives and strategies of the Sub-Funds offered in Singapore are summarised below. Unless specified otherwise in the relevant Sub-Fund's details in Appendix III of the Luxembourg Prospectus or in this Singapore Prospectus, each Sub-Fund will not hold more than 5% of its assets in any of the following: (i) transferable securities traded on the China Interbank Bond Market ("**CIBM**") (including via Bond Connect or CIBM Direct) or any other Chinese Regulated Market; or (ii) China A-Shares and/or China B-Shares, whether directly or indirectly through the Shanghai-Hong Kong Stock Connect, the Shenzhen-Hong Kong Stock Connect, the Science, Technology and Innovation board ("**STAR Board**") of the Shanghai Stock Exchange or the ChiNext market of the Shenzhen Stock Exchange ("**ChiNext**"). Investors should note that the risks associated with the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are applicable to these Sub-Funds. Further details are set out in Annexure I of this Singapore Prospectus. Unless otherwise disclosed a Sub-Fund will not hold more than 5% of its assets in any of the following asset classes: distressed securities, asset backed securities / mortgage backed securities, commodities related instruments, catastrophe bonds, or special purpose acquisition vehicles. Where a Sub-Fund may invest in other investment fund(s), the target fund(s) may have different investment strategies or restrictions. References to Investment Funds may include Schroder Funds.

4.2 A Sub-Fund may invest in Alternative Asset Classes as set out in its Investment Strategy which may include the following: real estate, infrastructure, private equity, commodities, precious metals and Alternative Investment Funds. The investment in commodities including precious metals will mainly be obtained indirectly through related (i) transferable securities, (ii) units of closed-ended investment funds, (iii) financial instruments linked or backed to the performance of this asset class, (iv) UCITS or other UCIs in accordance with the Grand Ducal

Regulation of 8 February 2008 and (v) Financial Indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592 and (vi) derivatives on eligible assets as described under (i) – (v). Individual commodities within a specific commodity sector may be highly correlated with each other, and correlation may be determined based on the price trends and historical returns of these individual commodities.

Each Sub-Fund is suitable for the investors as described below under the heading "Product Suitability". **You should consult your financial advisers if in doubt as to whether the relevant Sub-Fund is suitable for you.**

Mainstream Equity Funds

SISF EURO Equity

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI European Monetary Union (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in countries participating in the European Monetary Union.

Investment Strategy:

The Sub-Fund is actively managed and invests at least 75% of its assets in equity and equity related securities of companies that are incorporated in the European Economic Area. The Sub-Fund invests at least two-thirds of its assets in equity and equity related securities of companies in countries whose currency is the Euro.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

The Sub-Fund maintains a higher overall sustainability score than MSCI European Monetary Union (Net TR) index, based on the Investment Manager's rating system.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in European equity and equity related securities.

SISF Japanese Equity

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the Tokyo Stock Price Index Net TR after fees have been deducted over a three to five year period by investing in equity and equity related securities of Japanese companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Japanese companies.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

The Sub-Fund maintains a higher overall sustainability score than the Tokyo Stock Price Index Net TR, based on the Investment Manager's rating system.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in Japanese equity and equity related securities.

SISF Asian Opportunities

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI AC Asia ex Japan (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Asian companies (excluding Japan).

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Asian companies (excluding Japan).

The Sub-Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through

- the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("**QFI**") scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the MSCI AC Asia ex Japan (Net TR) Index based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Asian companies excluding Japan.

SISF Swiss Equity

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the Swiss Performance Index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Swiss companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Swiss companies. The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

The Sub-Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in Swiss equity and equity related securities.

SISF UK Equity*

* *With effect from 7 December 2026, the Sub-Fund's name will change to SISF European Core Equity*.

Investment Objective:

Prior to 7 December 2026: The Sub-Fund aims to provide capital growth in excess of the FTSE All Share Total Return index after fees have been deducted over a three to five year period by investing in equity and equity related securities of UK companies.

With effect from 7 December 2026: The Sub-Fund aims to provide capital growth in excess of the MCSI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies.

Investment Strategy:

Prior to 7 December 2026:

- The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of UK companies.
- The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).
- The Sub-Fund maintains a higher overall sustainability score than the FTSE All Share Total Return Index, based on the Investment Manager's rating criteria.

With effect from 7 December 2026:

- The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of European companies.
- The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).
- The Sub-Fund maintains a higher overall sustainability score than the MCSI Europe (Net TR) index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in UK[5] equity and equity related securities.

SISF Global Equity

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI All Country (AC) World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Investment Manager seeks to identify companies that it believes will deliver future earnings growth above the level expected by the market typically on a three to five year horizon (the Investment Manager refers to this as 'a positive growth gap').

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the MSCI All Country (AC) World (Net TR) index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities worldwide.

SISF US Large Cap

Investment Objective:

[5] With effect from 7 December 2026, the reference to "UK" will be changed to "European".

The Sub-Fund aims to provide capital growth in excess of the Standard & Poor's 500 (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of large-sized US companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in the equity and equity related securities of large-sized US companies. Large-sized companies are companies which, at the time of purchase, are considered to be in the top 85% by market capitalisation of the US equities market.

The Sub-Fund may invest in the equity securities of non-US companies provided they are listed on one of the major North American stock exchanges.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the Standard & Poor's 500 (Net TR) index based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of large-sized US companies.

Specialist Equity Funds

SISF Asian Dividend Maximiser

Investment Objective:

The Sub-Fund aims to deliver an income of 7% per year by investing in equities or equity related securities of Asia-Pacific companies (excluding Japan). This is not guaranteed and could change depending on market conditions.

You should note that this is the investment objective of the Sub-Fund and the reference to income distribution (or an income rate) which the Sub-Fund seeks to achieve is not and should not be interpreted to be a prediction, projection or forecast of the future performance of the Sub-Fund. It is not indicative of the future or likely performance of the Sub-Fund.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets (excluding cash) in equities or equity related securities of Asia-Pacific companies (excluding Japan), which are selected for their income and capital growth potential. To enhance the yield of the Sub-Fund, the Investment Manager selectively sells short dated call options over individual securities held by the Sub-Fund, generating extra income by agreeing strike prices above which potential capital growth is sold.

The Sub-Fund may invest directly in China H-Shares and may invest up to 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the MSCI AC Pacific ex Japan High Dividend Yield (Net TR) index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- primarily seek income; and
- understand the risks of investing in equities or equity related securities in Asia-Pacific excluding Japan.

SISF Asian Equity Yield

Investment Objective:

The Sub-Fund aims to provide income and capital growth in excess of the MSCI AC Asia Pacific ex Japan (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Asia Pacific companies (excluding Japan).

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Asia Pacific companies (excluding Japan).

The Sub-Fund invests in the equities of companies in the Asia Pacific (excluding Japan) region that pay dividends now but also retain enough cash to reinvest back into the company to generate future growth.

The Sub-Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through

- the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("**QFI**") scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan High Dividend Yield (net TR) Index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in equity and equity related securities in Asia Pacific excluding Japan.

SISF Sustainable Asian Equity

This Sub-Fund promotes environmental / social characteristics within the meaning of Article 8 of the SFDR and is an ESG Fund under Circular No. CFC 02/2022 on the Disclosure and Reporting Guidelines for ESG Funds ("ESG Circular") issued by the MAS.

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI AC Asia Pacific ex Japan (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Asia Pacific markets companies (excluding Japan) which meet the Investment Manager's sustainability criteria.

Sustainability Criteria:

The Investment Manager applies sustainability criteria when selecting investments for the Sub-Fund.

The investable universe is assessed using a number of proprietary tools, as well as external rating services. Companies being considered for investment are assessed on a stakeholder-based approach against criteria including, but not limited to (1) good governance practices; (2) impact on the environment and local communities; and (3) fair and equitable treatment of employees, suppliers and customers.

In the portfolio construction process, companies that fall into the bottom quintile based on the Investment Manager's overall sustainability score will not be eligible for inclusion in the first instance. However, if, based on proprietary analysis and ongoing engagement with a company, the Investment Manager believes that the company is taking concrete steps to transition out of business segments that have not met the sustainability criteria or to improve their relevant areas of weakness, the company may be deemed eligible for investment.

The Investment Manager ensures that at least 90% of the portion of the Sub-Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria[6]. As a result of the application of sustainability criteria, at least 20% of the Sub-Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Sub-Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Sub-Fund's investment objective and strategy. This universe is comprised of equity and equity related securities of

[6] This relates to Schroders' application of the French AMF's rule for "significantly engaging funds". This applies to companies and so does not extend to other investments such as cash and sovereign debts.

companies in Asia Pacific markets or companies which derive a significant proportion of their revenues or profits from the Asia Pacific region.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in Asia Pacific markets (excluding Japan) or companies which derive a significant proportion of their revenues or profits from the Asia Pacific region.

The Sub-Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index, based on the Investment Manager's rating system.

The Sub-Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("**QFI**") Scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Environmental and/or Social Characteristics Promoted:

The Sub-Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index, based on the Investment Manager's rating system. The benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Sub-Fund. The sustainability score is measured by SustainEx™, Schroders' proprietary tool that provides an estimate of the social and environmental costs and benefits that an issuer may create. More information on SustainEx™ can be found at paragraph 4.5 of this Singapore Prospectus.

The minimum proportion of the Sub-Fund's assets used to attain the environmental or social characteristics as stated in the Luxembourg Prospectus is equal to 80%. The Sub-Fund invests at least 50% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective(s).

Please refer to Appendix III and Appendix IV of the Luxembourg Prospectus, the "Sustainability-Related Disclosure" document for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/id/aa87d969-ace7-435e-ae2d-ee5bb681b366) and the "SFDR Periodic Report" for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/Schroder%20ISF%20Sustainable%20Asian%20Equity_SFDRPR_LU_EN.pdf) for more information on the Sub-Fund's sustainable investing strategy (including details about the various Schroder proprietary tools used by the Sub-Fund) and the additional information which is required to be disclosed under paragraph 14 of the ESG Circular.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies in Asia Pacific markets excluding Japan.

SISF BIC (Brazil, India, China)

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI BIC (Net TR) 10/40 index after fees have been deducted over a three to five year period, by investing in equity and equity related securities of Brazilian, Indian and Chinese companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in a range of equity and equity related securities of Brazilian, Indian and Chinese companies.

The Sub-Fund may invest directly in the China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the MSCI BIC (Net TR) 10/40 index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities in Brazil, India and China.

Special Information:

In the context of the unprecedented geo-political situation caused by Russia's invasion of the Ukraine and the resultant impact of sanctions and the actions of governments and market counterparties on certain Russian issuers and assets, the Sub-Fund's residual holdings in Russian assets (the "**Russian Assets**") are currently valued at zero. These Russian Assets represented approximately 0.35% of the Sub-Fund's Net Asset Value as of 3 March 2022 when the value was reduced to zero. In the event that value returns to these assets, they will be returned to the Net Asset Value of the Sub-Fund and will be divested by the Investment Manager taking into account the best interests of shareholders in line with the Sub-Fund's amended investment strategy, which is applicable as from 18 April 2023.

SISF Emerging Asia

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI Emerging Markets Asia (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in the emerging markets in Asia.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in the emerging markets in Asia.

The Sub-Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;

- the Qualified Foreign Investor ("**QFI**") Scheme;

- shares listed on the STAR Board and the ChiNext; and

- Regulated Markets.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities in emerging Asian markets.

SISF Emerging Europe

Investment Objective:

The Sub-Fund aims to provide capital growth by investing in equity and equity related securities of Central and Eastern European companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in a concentrated portfolio of equity and equity related securities of Central and Eastern European companies including the markets of the former Soviet Union and the Mediterranean emerging markets. The Sub-Fund may also invest in equity and equity related securities of North African and Middle Eastern companies.

The Sub-Fund typically holds 30-50 companies.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

The Sub-Fund maintains a higher overall sustainability score than the MSCI EFM Europe + CIS (E+C) Index (Net TR), based on the Investment Manager's rating criteria.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Central and Eastern European companies.

Special Information:

In view of the unprecedented geo-political situation caused by Russia's invasion of the Ukraine and the resultant impact of sanctions and the actions of governments and market counterparties on certain Russian issuers and assets, dealing in shares of this Sub-Fund was suspended from 25 February 2022 to 17 July 2022. The suspension has been notified to the CSSF on 28 February 2022, and to the Authority on 1 March 2022. In order to re-open the Sub-Fund on 18 July 2022, the portfolio of the Sub-Fund has been split by creating a new sub-portfolio in the Sub-Fund. The Russian equities and equity related securities (the "**Russian Assets**") held by the Sub-Fund have been ring fenced within the Sub-Fund and allocated to two newly created share classes, named X9 and Y9 (the "**New Classes**").

Shares in the New Classes have been allocated only to existing shareholders of the Sub-Fund with effect as of 18 July 2022 to reflect their respective percentage holdings in the Sub-Fund's total Net Asset Value as of 25 February 2022. Following the allocation of the Russian Assets to the New Classes to existing shareholders with effect as of 18 July 2022, the Sub-Fund (through the existing share classes listed in the table at page 13 above) no longer has any exposure to the Russian Assets, and the Sub-Fund will not make any further investments in Russian Assets until further notice. No Net Asset Value per share of the New Classes will be formally published (although an informative Net Asset Value will be available on the Schroders website at https://www.schroders.com/en-lu/lu/professional/funds-and-strategies/unpublished-nav-of-schroder-isf-emerging-europe/). Subscriptions, redemptions and switches in respect of the New Classes are not permitted. Further details on the key characteristics of the New Classes and how shares will be allocated to the existing shareholders are set out in the investor notification letter dated 4 July 2022 sent to existing shareholders of the Sub-Fund. Further information may be obtained from the Singapore Representative.

Subscriptions, redemptions and switching of shares of the New Classes are not possible. You may contact the Singapore Representative at the contact detail in paragraph 20 of this Singapore Prospectus for more details.

SISF Emerging Markets

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI Emerging Markets 10/40 (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of emerging markets companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in emerging markets.

The Sub-Fund may invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in emerging markets equity and equity related securities.

SISF European Dividend Maximiser

Investment Objective:

The Sub-Fund aims to deliver an income of 7% per year by investing in equities or equity related securities of European companies. This is not guaranteed and could change depending on market conditions.

You should note that this is the investment objective of the Sub-Fund and the reference to income distribution (or an income rate) which the Sub-Fund seeks to achieve is not and should not be interpreted to be a prediction, projection or forecast of the future performance of the Sub-Fund. It is not indicative of the future or likely performance of the Sub-Fund.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equities or equity related securities of European companies, which are selected for their income and capital growth potential. To enhance the yield of the Sub-Fund, the Investment Manager selectively sells short dated call options over individual securities held by the Sub-Fund, generating extra income by agreeing strike prices above which potential capital growth is sold.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

The Sub-Fund maintains a higher overall sustainability score than the MSCI Europe (Net TR) index, based on the Investment Manager's rating system. It also maintains a carbon intensity below that of the MSCI Europe (Net TR) index.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- primarily seek income; and
- understand the risks of investing in equity and equity related securities in the European market.

SISF European Smaller Companies

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI Europe Small Cap (NDR) index after fees have been deducted over a three to five year period by investing in equity or equity related securities of small-sized European companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small-sized European companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the European equities market.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the MSCI Europe Small Cap (NDR) index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of small-sized companies in Europe.

SISF Frontier Markets Equity

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI Frontier Emerging Markets (FEM) index (Net TR) with emerging markets capped at 10% after fees have been deducted over a three to five year period by investing in equity and equity related securities of frontier emerging markets companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of frontier emerging markets companies worldwide.

The Sub-Fund typically holds 50-70 companies.

'Frontier emerging markets' are countries included in the MSCI Frontier Emerging Markets (FEM) index or any other recognised frontier markets financial index, or additional countries that the Investment Manager deems to be frontier emerging market countries.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities in frontier emerging markets.

SISF European Special Situations

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies.

Investment Strategy:

The Sub-Fund is actively managed and invests in a select portfolio of securities in special situations, where the Investment Manager believes a special situation to be a company whose future prospects are not fully reflected in its valuation.

The Sub-Fund maintains a higher overall sustainability score than MSCI Europe (Net TR) index, based on the Investment Manager's rating system.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in European equity and equity related securities.

SISF Global Climate Change Equity

This Sub-Fund promotes environmental / social characteristics within the meaning of Article 8 of the SFDR and is an ESG Fund under the ESG Circular issued by the MAS.

Investment Objective:

The Sub-Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which the Investment Manager believes will benefit from efforts to accommodate or limit the impact of global climate change and which meet the Investment Manager's sustainability criteria.

Sustainability Criteria:

The Investment Manager applies sustainability criteria when selecting investments for the Sub-Fund.

When assessing the significance of climate change on the long-term business outlook for a company, a company is assessed on a number of factors which include but are not limited to:

- If the company has significant direct industry exposure to climate change trends (mitigation – reducing greenhouse gas emissions through energy efficiency, renewable power, and cleaner vehicles; or adaptation – those that are preparing for the impacts of climate change, for example water stress, coastal flooding, community health issues, or supply chain disruptions, among other issues).
- The proportion of business segments that are potentially exposed to climate change trends.
- If the company has significant investment and research and development spending related to the transition to a lower carbon economy.
- A product portfolio that takes into account the physical and transition risks posed by climate change.
- The impact on the company of rising carbon costs in the context of its industry and competitive environment.

The Investment Manager will then decide on a case-by-case basis whether a company is eligible for inclusion in the Sub-Fund's investment universe, based on this assessment. In addition, the Investment Manager's ESG analysis seeks to evaluate the materiality and impact of a range of ESG factors on the sustainability of future earnings growth and as potential risk factors that may affect a company's valuation. The Investment Manager's decision will focus on ratings in the areas that are most relevant to the particular business of that company.

The Investment Manager performs its own analysis of information provided by the companies, including information provided in company sustainability reports and other relevant company material. The research draws information from a wide variety of publicly available corporate information and company meetings, broker reports and outputs from industry bodies, research organisations, think tanks, legislators, consultants, NGOs and academics. Third party research is used as a secondary consideration, and generally provides a source of challenge or endorsement for the Investment Manager's proprietary view.

The Investment Manager ensures that at least 90% of the portion of the Sub-Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria[7]. As a result of the application of sustainability criteria, at least 30% of the Sub-Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Sub-Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Sub-Fund's investment objective and strategy. This universe is comprised of equity and equity related securities of companies worldwide.

[7] This relates to Schroders' application of the French AMF's rule for "significantly engaging funds". This applies to companies and so does not extend to other investments such as cash and sovereign debts.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Sub-Fund maintains a higher overall level of avoided emissions than MSCI All Country World (Net TR) index, based on the Investment Manager's rating system. The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may invest directly in China H-Shares and may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Environmental and/or Social Characteristics Promoted:

The Sub-Fund maintains a higher overall level of avoided emissions than the MSCI All Country World (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Sub-Fund.

Avoided emissions are measured by Schroders' proprietary tool that provides an estimate of the future emissions saved indirectly by companies' products and services through the substitution of high carbon activities with lower carbon alternatives. It does this by identifying certain carbon-avoiding activities and industries that if adopted would contribute to reducing economy-wide emissions. Schroders' proprietary tool uses third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures. The level of avoided emissions of the Sub-Fund is the aggregate avoided emissions of all issuers in the Sub-Fund's portfolio covered by Schroders' proprietary tool. More information on Schroders' proprietary tools can be found at paragraph 4.5 of this Singapore Prospectus.

The minimum proportion of the Sub-Fund's assets used to attain the environmental or social characteristics as stated in the Luxembourg Prospectus is equal to 80%. The Sub-Fund invests at least 40% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental objective(s).

Please refer to Appendix III and Appendix IV of the Luxembourg Prospectus, the "Sustainability-Related Disclosure" document for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/id/3d07f4f5-f896-473e-b3fa-3b930d3d4610) and the "SFDR Periodic Report" for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/Schroder%20ISF%20Global%20Climate%20Change%20Equity_SFDRPR_LU_EN.pdf) for more information on the Sub-Fund's sustainable investing strategy (including details about the various Schroder proprietary tools used by the Sub-Fund) and the additional information which is required to be disclosed under paragraph 14 of the ESG Circular.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities worldwide.

SISF Global Emerging Market Opportunities

Investment Objective:

The Sub-Fund aims to provide capital growth and income in excess of the MSCI Emerging Markets 10/40 (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in emerging market countries worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in emerging market countries worldwide.

The Sub-Fund may invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in equity and equity related securities in emerging markets.

SISF Global Energy

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI World SMID Energy[8] index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in the energy sector.

Investment Strategy:

Prior to 5 November 2026: The Sub-Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equities of small and mid-sized companies in the energy sector. These are companies which, at the time of purchase, are considered to be in the bottom 80% by market capitalisation of the energy sector. The Sub-Fund typically holds fewer than 50 companies.

[8] With effect from 5 November 2026 the target benchmark will change to the MSCI World Energy index.

With effect from 5 November 2026: The Sub-Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of energy-related companies worldwide. The Sub-Fund offers diversified exposure across the conventional energy value chain and the broader energy mix, including companies involved in, or supporting, the exploration, production, processing, refining and transportation of energy and related products and services. This includes (but is not limited to) global integrated energy majors, oil and gas producers, oilfield services, downstream service providers, energy infrastructure and services, diversified power, energy metals and nuclear. The Sub-Fund may invest in a broad range of companies regardless of market capitalisations. The Sub-Fund typically holds 40-60 companies.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies in the energy sector.

SISF Global Dividend Maximiser

Investment Objective:

The Sub-Fund aims to deliver an income of 7% per year by investing in equities or equity related securities of companies worldwide. This is not guaranteed and could change depending on market conditions.

You should note that this is the investment objective of the Sub-Fund and the reference to income distribution (or an income rate) which the Sub-Fund seeks to achieve is not and should not be interpreted to be a prediction, projection or forecast of the future performance of the Sub-Fund. It is not indicative of the future or likely performance of the Sub-Fund.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets (excluding cash) in equities or equity related securities worldwide, which are selected for their income and capital growth potential. To enhance the yield of the Sub-Fund the Investment Manager selectively sells short dated call options over individual securities held by the Sub-Fund, generating extra income by agreeing strike prices above which potential capital growth is sold.

The Sub-Fund may invest directly in China H-Shares and may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies,

Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- primarily seek income; and
- understand the risks of investing in equity and equity related securities of companies globally.

SISF Global Equity Yield

Investment Objective:

The Sub-Fund aims to provide income and capital growth in excess of the MSCI World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Sub-Fund will invest in a diversified portfolio of equity and equity related securities whose dividend yield in aggregate is greater than the average market yield. Equities with below average dividend yield may be included in the portfolio when the Investment Manager considers that they have the potential to pay above average yield in future.

The Sub-Fund will not be managed for yield alone: total return (dividend yield plus capital growth) will be equally important.

The Sub-Fund may invest directly in China H-Shares and may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in equity and equity related securities of companies worldwide.

SISF Global Gold

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the FTSE Gold Mines UCITS capped index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in the gold industry.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide involved in the gold industry. It will also invest up to 40% of its assets in gold and other precious metals through eligible assets[9] as described under the definition of "Alternative Asset Classes" in Appendix III of the Luxembourg Prospectus (which includes notably commodities but excluding Alternative Investment Funds) and gold and other precious metals' transferable securities.

The Sub-Fund may hold up to 40% of its assets in cash and Money Market Investments. The Sub-Fund will not be exposed to any physical commodities directly, nor enter into any contracts relating to physical commodities.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds and warrants (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth;
- understand the risks of investing in equity and equity related securities of companies involved in the gold industry globally; and
- understand the risks of investing in a single commodity related sector.

SISF Global Cities

This Sub-Fund has a sustainable investment objective within the meaning of Article 9 of the SFDR and is an ESG Fund under the ESG Circular issued by the MAS.

Investment Objective:

The Sub-Fund aims to provide capital growth and income in excess of the FTSE EPRA NAREIT Developed index (Net TR, USD) after fees have been deducted over a three to five year period by investing in equity and equity related securities of real estate companies worldwide that own assets in global cities and which the Investment Manager deems to be sustainable investments.

Sustainability Criteria:

The Investment Manager applies sustainability criteria when selecting investments for the Sub-Fund.

A real estate company is classified as contributing to an urban environment that provides a good quality of life for residents while minimising costs to the planet and using resources

[9] Please refer to paragraph 4.2 of this Singapore Prospectus. This may include (i) transferable securities and Money Market Investments, (ii) units of closed-ended investment funds, (iii) financial instruments linked or backed to the performance of such asset class, (iv) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008 and (v) Financial Indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592 and/or (vi) derivatives on eligible assets as described under (i) – (v) in asset classes such as real estate, infrastructure, private equity, commodities and/or precious metals.

efficiently if (i) it achieves a score of at least 50% on both components of the GRESB Scorecard (the "Scorecard") (and thereby achieves the threshold for GRESB's Green Star designation); or (ii) Schroders determines that the company would achieve a score of at least 50% on each component if additional robust evidence was available within the Scorecard and included in the calculation of the score .

GRESB scores individual real estate companies based on a variety of factors, which are used to assess how the real estate assets in the company's portfolio perform across a range of sustainability matters. GRESB collects data at the building (asset) level, which is then aggregated to the company or portfolio level, typically proportionally based on factors such as each building's square footage. Participating companies provide data to GRESB either automatically through their data management systems—integrated with building smart meters—or manually. GRESB may update the Scorecard periodically.

The Investment Manager may also engage with companies in the portfolio, which are expected to demonstrate a clear commitment to sustainability both in their relationships with stakeholders and in their efforts to mitigate their impact on the natural environment.

The Investment Manager also performs its analysis using its own research and Schroders' sustainable proprietary tools. Other third party research is used as a secondary consideration and generally provides a source of challenge or endorsement for its proprietary view.

The Investment Manager ensures that at least 90% of the portion of the Sub-Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Sub-Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Sub-Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of real estate companies worldwide.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

Investment Strategy:

The Sub-Fund is actively managed and invests its assets in sustainable investments, which are investments in real estate companies that contribute to an urban environment that provide a good quality of life for residents while minimising costs to the planet and using resources efficiently. Each real estate company is classified as sustainable if (i) it achieves a score of at least 50% on both the performance and management components of the Scorecard and thereby achieves the threshold for GRESB's Green Star designation or (ii) Schroders determines that the company would achieve a score of at least 50% on each component if additional robust evidence was available within the Scorecard and included in the calculation of the score. The Sub-Fund may also invest its assets in investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Sub-Fund more efficiently.

The Sub-Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Sub-Fund to challenge identified areas of weakness on sustainability issues.

The Sub-Fund invests at least 90% of its assets in equity and equity related securities of sustainable real estate companies worldwide which generate the majority of their earnings from real estate investment related activities and own assets in global cities. These are cities that have positive characteristics such as economic strength, strong transport infrastructure, high quality educational institutions and an innovative business community, based on the Investment Manager's assessment.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Sustainable Investment Objective:

The Sub-Fund's sustainable investment objective is to invest its assets in real estate companies worldwide that contribute to an urban environment that provide a good quality of life for residents while minimising costs to the planet and using resources efficiently. The Sub-Fund may also invest in investments that the investment manager deems to be neutral under its sustainability criteria, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Sub-Fund more efficiently.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective. ***Please refer to Appendix III and Appendix IV of the Luxembourg Prospectus, the "Sustainability-Related Disclosure" document for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/id/33c29c2f-deca-40a6-9292-2afde39d9f83) and the "SFDR Periodic Report" for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/Schroder%20ISF%20Global%20Cities_SFDRPR_LU_EN.pdf) for more information on the Sub-Fund's sustainable investing strategy (including details about the various Schroder proprietary tools used by the Sub-Fund) and the additional information which is required to be disclosed under paragraph 14 of the ESG Circular.***

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in equity and equity related securities of real estate companies worldwide.

SISF Global Innovation

Investment Objective:

The Sub-Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which benefit from disruptive innovation.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

Disruptive innovation typically means innovation (whether due to technology or otherwise) which changes a particular industry by creating new markets, products or service models. Disruptive innovation can be observed in many industries such as e-commerce, media & communications and banking & payments. The Investment Manager believes that companies benefitting from disruptive innovation, either as the disruptor or otherwise, can experience a rapid acceleration in, and durability of, growth. The Investment Manager seeks to invest in companies benefiting from disruptive innovation before this is fully reflected in market expectations.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies worldwide which benefit from disruption.

SISF Global Alternative Energy

This Sub-Fund has a sustainable investment objective within the meaning of Article 9 of the SFDR and is an ESG Fund under the ESG Circular issued by the MAS.

Investment Objective:

The Sub-Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide that the Investment Manager believes are associated with the global transition towards lower-carbon sources of energy and which the Investment Manager deems to be sustainable investments.

Sustainability Criteria:

The Investment Manager applies sustainability criteria when selecting investments for the Sub-Fund.

Companies are assessed against eight ESG criteria: (1) management quality; (2) balance sheet sustainability; (3) corporate governance; (4) regulatory risk management; (5) supply chain management; (6) customer management; (7) employee management; and (8) environmental management. The company will receive an overall score out of ten and is placed within one of the following categories based on this score:

'Lagging' (score of 1 – 3): Companies that show poor corporate governance, unconvincing management, weak balance sheets, poor stakeholder relations, and fail to demonstrate an awareness of ESG issues they face.

'Neutral' (score of 4 – 6): Companies that show adequate corporate governance, suitable management, reasonably robust balance sheets, have reasonable relationships with stakeholders and some awareness of ESG issues. These companies do not exhibit ESG risks necessarily, but at the same time are not best in class companies with the potential to maintain market leading growth.

'Best-in-class' (score of 7 – 10): Companies that have strong corporate governance, quality management, strong balance sheets, good relationships with stakeholders and a good awareness and management of ESG issues. These companies should be able to attract the best employees, to continue to lead the industry in terms of productivity, have strong supply chain links, acting as the 'supplier of choice' for customers, and are mindful of their environmental impact.

The Sub-Fund will generally only invest in companies that are rated as 'neutral' or 'best-in-class'.

The Investment Manager performs its own analysis of information provided by the companies, including information provided in company sustainability reports and other relevant company material. Third party research is used by the team as a secondary consideration, and generally provides a source of challenge or endorsement for their own view.

The Investment Manager ensures that at least 90% of in the portion of the Sub-Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria[10].

Investment Strategy:

The Sub-Fund is actively managed and invests its assets in (i) sustainable investments, which are investments in companies that (a) generate at least 50% of their revenue from activities that contribute towards the global transition towards lower-carbon sources of energy, such as lower-carbon energy production, distribution, storage, transport and associated supply chain, material provider and technology companies or (b) generate a lower percentage of their revenue from these activities where the Investment Manager considers they are playing critical roles in the transition based on the company's capital expenditure, operating expenditure or market share and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Sub-Fund more efficiently.

The Sub-Fund may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes (including delta one securities) and warrants) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Sub-Fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of companies worldwide. The Sub-Fund typically holds fewer than 60 companies.

[10] This relates to Schroders' application of the French AMF's rule for "significantly engaging funds". This applies to companies and so does not extend to other investments such as cash and sovereign debts.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Sustainable Investment Objective:

The Sub-Fund's sustainable investment objective is to invest its assets in sustainable investments which are investments in companies worldwide that (i) generate at least 50% of their revenue from activities that contribute towards the global transition towards lower-carbon and more sustainable sources of energy, such as lower-carbon energy production, distribution, storage, transport and associated supply chain, material provider and technology companies, or (ii) generate a lower percentage of their revenue from these activities where the Investment Manager considers they are playing critical roles in the energy transition based on the company's capital expenditure, operating expenditure or market share. At least 75% of the Sub-Fund's assets will be invested in companies of the type described in (i). The Sub-Fund may also invest in investments that the investment manager deems to be neutral under its sustainability criteria, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Sub-Fund more efficiently.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective. ***Please refer to Appendix III and Appendix IV of the Luxembourg Prospectus, the "Sustainability-Related Disclosure" document for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/id/22180c5d-40b7-43f8-bcfe-0e0a83b4b688) and the "SFDR Periodic Report" for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/Schroder%20ISF%20Global%20Energy%20Transition_SFDRPR_LU_EN.pdf) for more information on the Sub-Fund's sustainable investing strategy (including details about the various Schroder proprietary tools used by the Sub-Fund) and the additional information which is required to be disclosed under paragraph 14 of the ESG Circular.***

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies worldwide that are associated with the global transition towards lower-carbon sources of energy.

SISF Global Smaller Companies

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the S&P Developed Small Cap (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of small-sized companies worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small-sized companies worldwide. Small-sized companies are

companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of global equity markets.

The Sub-Fund may also invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the S&P Developed Small Cap (Net TR) index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of small-sized companies worldwide.

SISF Global Sustainable Growth

This Sub-Fund promotes environmental / social characteristics within the meaning of Article 8 of the SFDR and is an ESG Fund under the ESG Circular issued by the MAS.

Investment Objective:

The Sub-Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which meet the Investment Manager's sustainability criteria.

Sustainability Criteria:

The Investment Manager applies sustainability criteria when selecting investments for the Sub-Fund.

Companies are assessed and rated against a set of questions covering issues such as respect for the environment; fair and equitable treatment of employees, suppliers and customers; corporate citizenship; capital allocation and governance. Typically, 20% of questions are related to environmental considerations, 40% to social considerations and 40% to governance considerations.

The Investment Manager will decide on a case-by-case basis whether a company is eligible for inclusion in the investible universe, taking into account these ratings. While all companies are assessed against all questions, the Investment Manager's decision will focus on those areas that are most relevant to the particular business of that company. In these areas, the company should generally be appraised as at least "strong" in order to be accepted into the investible universe. The eligibility of each company in the Sub-Fund's portfolio is then reviewed at least annually.

The primary sources of information used to perform the analysis are Schroders' proprietary sustainability tools, third-party research, unconventional data sourced by Schroders' Data

Insights Unit, NGO reports and expert networks. The Investment Manager also scrutinises company sustainability reports and other disclosures, which may be complemented by direct engagement with the company during the assessment process. More information on Schroders' proprietary tools can be found at paragraph 4.5 of this Singapore Prospectus.

The Investment Manager ensures that at least 90% of the portion of the Sub-Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria[11]. As a result of the application of sustainability criteria, at least 30% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Sub-Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Sub-Fund's investment objective and strategy. This universe is comprised of equity and equity related securities of companies worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Sub-Fund typically holds fewer than 50 companies.

The Sub-Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Investment Manager's rating system. The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Environmental and/or Social Characteristics Promoted:

The Sub-Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Sub-Fund.

The sustainability score is measured by SustainEx™, Schroders' proprietary tool that provides an estimate of the social and environmental costs and benefits that an issuer may create. More information on SustainEx™ can be found at paragraph 4.5 of this Singapore Prospectus.

The minimum proportion of the Sub-Fund's assets used to attain the environmental or social characteristics as stated in the Luxembourg Prospectus is equal to 80%. The Sub-Fund invests at least 50% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective(s). ***Please refer to Appendix III and Appendix IV of the Luxembourg Prospectus, the "Sustainability-Related Disclosure" document for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/id/9168cbbd-c026-4d3e-81e7-9040403d5370) and the "SFDR Periodic Report" for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/Schroder%20ISF%20Global%20Sustainable%20Growth_SFDRPR_LU_EN.pdf)***

[11] This relates to Schroders' application of the French AMF's rule for "significantly engaging funds". This applies to companies and so does not extend to other investments such as cash and sovereign debts.

for more information on the Sub-Fund's sustainable investing strategy (including details about the various Schroder proprietary tools used by the Sub-Fund) and the additional information which is required to be disclosed under paragraph 14 of the ESG Circular.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities worldwide.

SISF Greater China

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI Golden Dragon (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of People's Republic of China, Hong Kong SAR and Taiwan companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in People's Republic of China, Hong Kong SAR and Taiwan.

The Sub-Fund may invest directly in China H-Shares and may invest less than 50% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect,

- the Qualified Foreign Investor ("**QFI**") Scheme,

- shares listed on the STAR Board and the ChiNext, and

- Regulated Markets.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities in China, Hong Kong and Taiwan.

SISF Healthcare Innovation

This Sub-Fund promotes environmental / social characteristics within the meaning of Article 8 of the SFDR and is an ESG Fund under the ESG Circular issued by the MAS.

Investment Objective:

The Sub-Fund aims to provide capital growth by investing in equity and equity related securities of healthcare and medical related companies worldwide which meet the Investment Manager's sustainability criteria.

Sustainability Criteria:

The Investment Manager applies sustainability criteria when selecting investments for the Sub-Fund.

The Sub-Fund will invest primarily in companies where at least 80% of the total revenues of such companies are derived directly from healthcare-related activities. The Investment Manager may also invest up to 20% of the Sub-Fund's assets in companies where current revenues fall short of this threshold in situations where, for example, the Investment Manager considers the revenue potential of the company to be significant, or, where the impact of the product(s) or services of the company have the potential to advance health, healthcare treatment or cost efficiencies within the healthcare system.
The Investment Manager selects companies that are engaged in healthcare provision, medical services and related products, including in areas such as biotechnology, generics drug manufacture and supply, pharmaceuticals, health insurance and hospital supplies. Investment ideas are identified using proprietary fundamental stock analysis and top-down assessment of the thematic drivers affecting healthcare demand and provision. The Investment Manager's analysis seeks to identify companies that are well placed to develop products or services that address both the rising demand for healthcare and the need to ensure that healthcare systems are more efficiently managed to ease rising cost pressures.

The Investment Manager also uses a proprietary tool to assess the ESG performance of companies before they are selected for the Sub-Fund's portfolio. Individual names with poor ESG performance may be included in the portfolio if the Investment Manager believes that a company is on track to improve its ESG performance. More information on Schroders' proprietary tools can be found at paragraph 4.5 of this Singapore Prospectus.

Other sources of information are also used for this analysis including information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' other proprietary tools and third-party data.

The Investment Manager ensures that at least 90% of the portion of the Sub-Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria[12]. As a result of the application of sustainability criteria, at least 20% of the Sub-Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Sub-Fund prior to the application of sustainability criteria, in accordance with the other limitations of Sub-Fund's investment objective and strategy. This universe is comprised of equity and equity related securities of companies worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide, which are engaged in healthcare provision, medical services and related products.

The Sub-Fund invests at least 80% of its assets in sustainable investments, which are investments in companies that contribute towards the advancement of one or more of the

[12] This relates to Schroders' application of the French AMF's rule for "significantly engaging funds". This applies to companies and so does not extend to other investments such as cash and sovereign debts.

United Nations Sustainable Development Goals by promoting growth in healthcare provision and medical treatments and improving healthcare standards using an innovation-led approach. The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Environmental and/or Social Characteristics Promoted:

The minimum proportion of the Sub-Fund's assets used to attain the environmental or social characteristics as stated in the Luxembourg Prospectus is equal to 80%. The Sub-Fund invests at least 80% of its assets in sustainable investments, which are investments in healthcare and medical related companies worldwide that contribute towards the advancement of one or more of the UN SDGs by promoting growth in healthcare provision and medical treatments and improving healthcare standards using an innovation-led approach. The Sub-Fund may also invest in investments that the Investment Manager deems to be neutral under its sustainability criteria.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Sub-Fund.

Please refer to Appendix III and Appendix IV of the Luxembourg Prospectus and the "Sustainability-Related Disclosure" document for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/id/2b3671be-478f-4594-8fbe-e8096b6e4ec1) and the "SFDR Periodic Report" for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/Schroder%20ISF%20Healthcare%20Innovation_SFDRPR_LU_EN.pdf) for more information on the Sub-Fund's sustainable investing strategy (including details about the various Schroder proprietary tools used by the Sub-Fund) and the additional information which is required to be disclosed under paragraph 14 of the ESG Circular.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of healthcare and medical related companies worldwide.

SISF Hong Kong Equity

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the FTSE MPF Hong Kong Index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies listed on the Hong Kong Stock Exchange.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies listed on the Hong Kong Stock Exchange.

The Sub-Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("**QFI**") Scheme; and
- shares listed on the STAR Board and the ChiNext.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities listed on the Hong Kong Stock Exchange.

SISF Indian Opportunities

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of MSCI India (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Indian companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Indian companies or companies which have their principal business activities in India.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the MSCI India (Net TR) index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Indian companies or companies which have their principal business activities in India.

SISF Japanese Opportunities

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the Tokyo Stock Price Index Net TR after fees have been deducted over a three to five year period by investing in equity and equity related securities of Japanese companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Japanese companies.

The Sub-Fund seeks to identify and invest in undervalued stocks by estimating their fair value based on predicted returns over the medium to long term.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

The Sub-Fund maintains a higher overall sustainability score than the Tokyo Stock Price Index Net TR, based on the Investment Manager's rating criteria.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Japanese companies.

SISF Japanese Smaller Companies

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the Russell Nomura Small Cap (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of small-sized Japanese companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small-sized Japanese companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the Japanese equities market.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the Russell Nomura Small Cap (Net TR) index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of small-sized companies in Japan.

SISF Latin American

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI Emerging Markets Latin America 10/40 (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Latin American companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Latin American companies.

The Sub-Fund typically holds 40-70 companies.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Latin American companies.

SISF Robotics and Automation

Investment Objective:

The Sub-Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which the Investment Manager believes will benefit from the latest industrial innovation techniques.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

Robotics and automation are key elements of the latest industrial innovation techniques to address the market needs and supply chain challenges of manufacturing and related sectors such as distribution, logistics and transportation. The Investment Manager seeks to invest in companies that it believes will enjoy superior growth through their exposure to these innovations.

The Sub-Fund may invest directly in China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies,

Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies worldwide which will benefit from the latest industrial innovation techniques.

SISF US Small & Mid-Cap Equity

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the Russell 2500 Lagged (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of small and mid-sized US companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small and mid-sized US companies. These are companies which, at the time of purchase, are considered to be in the bottom 40% by market capitalisation of the US equities market.

The Sub-Fund invests in a broad range of small and mid-sized US companies. The investment approach focuses on three types of US companies: companies that the Investment Manager believes demonstrate strong growth trends and improving levels of cash; companies which the Investment Manager believes generate dependable earnings and revenues; and companies that the Investment Manager believes are undergoing positive change that is not being recognised by the market. By doing so, the Investment Manager believes that it can reduce overall risk and improve returns for investors over the medium to long term.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the S&P Mid Cap 400 Lagged (Net TR) Index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of small and mid-sized US companies.

SISF US Smaller Companies Impact

This Sub-Fund has a sustainable investment objective within the meaning of Article 9 of the SFDR and is an ESG Fund under the ESG Circular issued by the MAS.

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the Russell 2000 Lagged (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of small-sized US companies whose activities the Investment Manager considers create positive social or environmental impact and which the Investment Manager deems to be sustainable investments.

Sustainability Criteria:

The Investment Manager applies sustainability criteria when selecting investments for the Sub-Fund.

Investments are composed of companies whose products and services contribute positively to at least one of the UN Sustainable Development Goals ("**UN SDGs**").

In order to identify companies with a direct link to a UN SDG, the Investment Manager applies a two step approach:

- The first is a revenue-based approach that considers whether a certain percentage of the relevant company's revenues, capital expenditure or operating expenditure contributes to an environmental or social objective (as applicable).
- The second is a detailed impact assessment of the company via the completion of a proprietary impact scorecard. The Investment Manager considers different aspects of impact such as: what outcome and UN SDGs the company is contributing to; who is served by the outcome (such as the relevant stakeholder or industry); an assessment of our expected contribution (including Schroders' influence and engagement); and consideration of impact risks. The assessment typically includes Key Performance Indicators that are used to track the company's impact over time.

The company and impact scorecard are then validated and approved by Schroders' Impact Assessment Group ("**IAG**"), in order for the company to be eligible for inclusion in the Sub-Fund's investible universe. The IAG consists of members from Schroders' impact and sustainable investment teams and members of the investment team. There may be some limited instances where step 2 and the IAG approval may follow subsequently (such as a particularly time sensitive investment).

The Investment Manager has identified three types of companies that will typically be considered for inclusion in the portfolio.

The first type are highly innovative companies whose business model solves a direct need within the UN SDGs. These are growth companies whose solution to an UN SDG gap can be scaled.

The second type are companies that are already generating revenues that have an impact, but do not articulate or highlight that impact. These are companies the Investment Manager can identify due to its deep understanding of the US Small Cap universe where it sees a re-rating opportunity. In so doing the companies can better articulate and become more transparent about their impact opportunity. This is expected to be the largest group in the Sub-Fund's portfolio.

The third type will tend to have the lowest level of revenue link. These are companies whose business models are transitioning towards higher impact activities and where the Investment Manager sees the ability to help guide such companies on that journey with active engagement. This is expected to be the smallest group in the Sub-Fund's portfolio. Each investment must have some revenue linking to an UN SDG. Based on where the investment falls within the three types the level of linked revenue will vary.

The Investment Manager ensures that at least 90% of the portion of the Sub-Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria[13]. As a result of the application of sustainability criteria, at least 20% of the Sub-Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Sub-Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Sub-Fund's investment objective and strategy. This universe is comprised of equity and equity related securities of small-sized US companies or companies which derive a significant proportion of their revenues or profits from small-sized US companies.

Investment Strategy:

The Sub-Fund is actively managed and invests its assets in (i) sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs, and to deliver returns to shareholders over the long term, and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Sub-Fund more efficiently.

The Investment Manager will select companies from a universe of eligible companies that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of the company's contribution to the UN SDGs alongside the Investment Manager's assessment of the company's impact via its proprietary impact investment management framework and tools (including an impact scorecard).

The Sub-Fund is part of Schroders' Impact Driven strategies. As such, it applies highly selective investment criteria and its investment process is aligned with the Operating Principles for Impact Management which means that an assessment of impact is embedded in the steps of the investment process. All sustainable investments in the Sub-Fund are subject to this framework.

The Sub-Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Sub-Fund to seek to improve sustainability practices and enhance social and environmental impacts generated by underlying investee companies.

The Sub-Fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of small-sized US companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the US equities market. The Sub-Fund typically holds 40-60 companies.

[13] This relates to Schroders' application of the French AMF's rule for "significantly engaging funds". This applies to companies and so does not extend to other investments such as cash and sovereign debts.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg prospectus).

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Sustainable Investment Objective:

The Sub-Fund's sustainable investment objective is to invest its assets in small-sized US companies that the Investment Manager expects to contribute positive impact by advancing an environmental or social objective linked to one or more of the UN SDGs, and to deliver returns to shareholders over the long term. The Sub-Fund may also invest in investments that the Investment Manager deems to be neutral under its sustainability criteria, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Sub-Fund more efficiently.

The Investment Manager will select companies from a universe of eligible companies that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of the company's contribution to the UN SDGs alongside the Investment Manager's assessment of the company via its proprietary scorecard. The investment process is aligned with the Operating Principles for Impact Management.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Please refer to Appendix III and Appendix IV of the Luxembourg Prospectus and the "Sustainability-Related Disclosure" document for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/id/565e3fa5-c514-4504-9e9c-71e2bded8f1a) and the "SFDR Periodic Report" for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/Schroder%20ISF%20US%20Smaller%20Companies%20Impact_SFDRPR_LU_EN.pdf) for more information on the Sub-Fund's sustainable investing strategy (including details about the various Schroder proprietary tools used by the Sub-Fund) and the additional information which is required to be disclosed under paragraph 14 of the ESG Circular.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of small-sized US companies.

SISF Asian Total Return

Investment Objective:

The Sub-Fund aims to provide capital growth and income in excess of the MSCI AC Asia Pacific ex Japan (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Asia Pacific companies. The Sub-Fund is designed to participate in rising markets whilst aiming to mitigate losses in falling markets through the use of derivatives. The mitigation of losses cannot be guaranteed.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in Asia Pacific equity and equity related securities.

The Sub-Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("**QFI**") scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently. The Sub-Fund may buy or sell equity index futures and buy and sell index options on indices or individual stocks. To obtain exposure to equity indices and individual stocks, the Sub-Fund may also enter into contracts for difference where the underlying investments are not delivered and settlement is made in cash. Contracts for difference may be used to gain long and short exposure or to hedge exposure on equity and equity related securities. The gross exposure of contracts for difference will not exceed 10% and is expected to remain within the range of 0% to 10% of the Net Asset Value of the Sub-Fund. In certain circumstances this proportion may be higher.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Asia Pacific companies.

Special Information:

As at the date of this Singapore Prospectus, A Accumulation Shares (USD) and A Distribution Shares (SGD) of the Sub-Fund are closed for subscriptions as well as switching into. You may contact the Singapore Representative or the relevant distributors on the availability of the Share Classes.

SISF China Opportunities

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI China (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Chinese companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Chinese companies.

The Sub-Fund may invest directly in China H-Shares and may invest less than 50% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;

- the Qualified Foreign Investor ("**QFI**") Scheme;

- shares listed on the STAR Board and the ChiNext; and

- Regulated Markets.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

The Sub-Fund maintains a higher overall sustainability score than the MSCI China (Net TR) index, based on the Investment Manager's rating criteria.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Chinese companies.

SISF European Value

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equities of European companies. The Sub-Fund typically holds 30 - 70 companies.

The Sub-Fund applies a disciplined value investment approach, seeking to invest in a select portfolio of companies that the Investment Manager believes are significantly undervalued relative to their long-term earnings potential.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund invests at least 35% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective(s). ***The Sub-Fund may use***

derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of European companies.

SISF Global Sustainable Food and Water

This Sub-Fund has a sustainable investment objective within the meaning of Article 9 of the SFDR and is an ESG Fund under the ESG Circular issued by the MAS.

Investment Objective:

The Sub-Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which help the transition towards the sustainable provision of food and water and which the Investment Manager deems to be sustainable investments.

Sustainability Criteria:

The Investment Manager applies sustainability criteria when selecting investments for the Sub-Fund.

The Investment Manager seeks to identify companies that derive a minimum of 50% of their revenues from activity that is directly contributing to the provision of food and water. The Sub-Fund invests in companies involved in making the global food and water system more sustainable, as defined by companies driving positive change across at least one of the six key sustainability areas (food security, GHG emissions, water usage, biodiversity, physical pollution and waste, and health and nutrition). While the vast majority of companies in the Sub-Fund's universe meet this 50% revenue criteria, in certain cases the Investment Manager can manually add companies with revenue exposure below this threshold to the Sub-Fund's investment universe. These 'manual additions' are only permitted if these companies meet the following criteria: (i) they are playing critical roles in the food and water transition and are addressing at least one of the five key sustainability areas mentioned; (ii) they are growing the share of revenue that they have exposed to food and water activities; and (iii) approval is given by the Sustainable Investment Team of the Investment Manager.

Each company in the universe of potential investments is then assessed by the Investment Manager against eight categories: (1) management quality; (2) balance sheet sustainability; (3) corporate governance; (4) regulatory risk management; (5) supply chain management; (6) customer management; (7) employee management; and (8) environmental management. Each company is then placed within one of the following categories based on this score:

– 'Lagging' (score of 1 – 3): Companies that show poor corporate governance, poor management quality, weak balance sheets, poor stakeholder relations, poor employee management, do not sufficiently address environmental issues and fail to demonstrate an awareness of sustainability issues they face.

– 'Neutral' (score of 4 – 6): Companies that show adequate corporate governance, reasonable management quality, reasonably strong balance sheets, have reasonable relationships with stakeholders and some awareness of sustainability issues. These

companies do not exhibit a high level of sustainability risk based on the Investment Manager's assessments, but at the same time are not best in class companies with the potential to maintain market leading growth.

– 'Best-in-class' (score of 7 – 10): Companies that have strong corporate governance, quality management, strong balance sheets, great relationships with stakeholders, good employee management, focus on environmental issues and a good awareness and management of sustainability issues. These companies will be able to attract the best employees, continue to lead the industry in terms of productivity, have strong supply chain links, acting as the 'supplier of choice' for customers, and be mindful of their environmental impact.

The Sub-Fund will generally only invest in companies that are rated as 'Neutral' or better.

The Investment Manager performs its own analysis of information provided by the companies, including information provided in company sustainability reports and other relevant company material. Third party research is used by the Investment Manager as a secondary consideration, and generally provides a source of challenge or endorsement for its view.

The Investment Manager ensures that at least 90% of the portion of the Sub-Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria[14].

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Sub-Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Sub-Fund's investment objective and strategy. This universe is comprised of equity and equity related securities of companies worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests its assets in (i) sustainable investments, which are investments that the Investment Manager expects to contribute towards the provision of sustainable food and water including water management, agricultural equipment, agricultural inputs, food security, food production, processing, packaging and distribution, food and water retail and recycling, and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Sub-Fund more efficiently.

The Sub-Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Sub-Fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of companies worldwide. The Sub-Fund typically holds 35 – 60 companies.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

[14] This relates to Schroders' application of the French AMF's rule for "significantly engaging funds". This applies to companies and so does not extend to other investments such as cash and sovereign debts.

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Sustainable Investment Objective:

The Sub-Fund's sustainable investment objective is to invest its assets in companies worldwide that the Investment Manager expects to contribute towards the provision of sustainable food and water including water management, agricultural equipment, agricultural inputs, food security, food production, processing, packaging and distribution, food and water retail and recycling. The Sub-Fund may also invest in investments that the Investment Manager deems to be neutral under its sustainability criteria, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Sub-Fund more efficiently.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Please refer to Appendix III and Appendix IV of the Luxembourg Prospectus and the "Sustainability-Related Disclosure" document for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/id/23fb68f4-0a64-4922-bdba-d4d4aba4f70d) and the "SFDR Periodic Report" for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/Schroder%20ISF%20Global%20Sustainable%20Food%20and%20Water_SFDR PR_LU_EN.pdf) for more information on the Sub-Fund's sustainable investing strategy (including details about the various Schroder proprietary tools used by the Sub-Fund) and the additional information which is required to be disclosed under paragraph 14 of the ESG Circular.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies worldwide.

SISF China A

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI China A Onshore (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges (China A-Shares).

The Sub-Fund may invest up to 100% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Institutional Investor ("**QFI**") scheme;
- shares listed on the STAR Board and the ChiNext; and

- Regulated Markets.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently. Where the Sub-Fund uses contracts for difference, the underlying consists of instruments in which the Sub-Fund may invest according to its Investment Objective and Investment Strategy. In particular, contracts for difference may be used to gain long or short exposures or to hedge exposure on equity and equity related securities. The gross exposure of contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 30% of the Net Asset Value. In certain circumstances this proportion may be higher.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges.

SISF All China Equity

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI China All Shares Net TR index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Chinese companies (irrespective of where the companies are listed).

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Chinese companies.

The Sub-Fund may invest directly in China H-Shares. The Sub-Fund may invest up to 70% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("**QFI**") Scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Chinese companies (irrespective of where the companies are listed).

SISF China A All Cap

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI China A Onshore (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges (China A-Shares). The Sub-Fund typically holds 30 – 50 companies.

The Sub-Fund may invest in a broad range of companies regardless of market capitalisations.

The Sub-Fund may invest up to 100% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("**QFI**") Scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Sub-Fund may invest up to 10% of its assets in offshore listed Chinese companies and up to 10% of its assets in the offshore listing of dual-listed Chinese A-Share companies.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the MSCI China A Onshore (Net TR) index, based on the Investment Manager's rating system.

The Sub-Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges.

SISF European Sustainable Equity

This Sub-Fund promotes environmental / social characteristics within the meaning of Article 8 of the SFDR and is an ESG Fund under the ESG Circular issued by the MAS.

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies which meet the Investment Manager's sustainability criteria.

Sustainability Criteria:

The Investment Manager applies sustainability criteria when selecting investments for the Sub-Fund.

Companies in the investment universe are assessed on their governance, environmental and social profile, across a range of factors. This analysis is supported by quantitative analysis gained from Schroders' proprietary sustainability tools. The Investment Manager assesses a company's environment and social impact, as well as governance practices, using proprietary sustainability tools. In addition, the Investment Manager also performs its own research and analysis before deciding whether a company is eligible for inclusion in the Sub-Fund, based on its overall sustainability profile. Proprietary tools will be key inputs to measure how companies in the portfolio are meeting the sustainability credentials outlined above. More information on Schroders' proprietary tools can be found at paragraph 4.5 of this Singapore Prospectus.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

The Investment Manager ensures that at least 90% of the portion of the Sub-Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria[15]. As a result of the application of sustainability criteria, at least 20% of the Sub-Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Sub-Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Sub-Fund's investment objective and strategy. This universe is comprised of equity and equity related securities of European companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of European companies.

The Sub-Fund maintains a higher overall sustainability score than the MSCI Europe (Net TR) index, based on the Investment Manager's rating system. The Sub-Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies,

[15] This relates to Schroders' application of the French AMF's rule for "significantly engaging funds". This applies to companies and so does not extend to other investments such as cash and sovereign debts.

Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Environmental and/or Social Characteristics Promoted:

The Sub-Fund maintains a higher overall sustainability score than the MSCI Europe (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Sub-Fund.

The sustainability score is measured by SustainEx™, Schroders' proprietary tool that provides an estimate of the social and environmental costs and benefits that an issuer may create. More information on SustainEx™ can be found at paragraph 4.5 of this Singapore Prospectus.

The minimum proportion of the Sub-Fund's assets used to attain the environmental or social characteristics as stated in the Luxembourg Prospectus is equal to 80%. The Sub-Fund invests at least 50% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective(s).

Please refer to Appendix III and Appendix IV of the Luxembourg Prospectus and the "Sustainability-Related Disclosure" document for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/id/9c72f652-999f-4d13-a24b-9484514740a1) and the "SFDR Periodic Report" for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/Schroder%20ISF%20European%20Sustainable%20Equity_SFDRPR_LU_EN.pdf) for more information on the Sub-Fund's sustainable investing strategy (including details about the various Schroder proprietary tools used by the Sub-Fund) and the additional information which is required to be disclosed under paragraph 14 of the ESG Circular.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of European companies.

SISF Global Sustainable Value

This Sub-Fund promotes environmental / social characteristics within the meaning of Article 8 of the SFDR and is an ESG Fund under the ESG Circular issued by the MAS.

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies worldwide which meet the Investment Manager's sustainability criteria.

Sustainability Criteria:

The Investment Manager applies sustainability criteria when selecting investments for the Sub-Fund.

Companies are assessed on a variety of ESG factors including how they treat their stakeholders, governance, and environmental impact. Issuers are analysed in three ways – through research conducted by the Investment Manager, via third party sustainability research and using proprietary sustainability tools. Issuers are not assigned an overall score, but should generally be deemed to have satisfied the Investment Manager's requirements across different assessments in order to be eligible for the Sub-Fund's portfolio. The criteria required by the Investment Manager include both quantitative standards (such as minimum ratings) and strong performance in a qualitative assessment of the sustainability of the issuer's business. The weighting of environmental, social and governance factors may be varied to take into account those most relevant for the issuer's particular industry.

The sources of information used to perform this analysis includes information disclosed by companies as well as Schroders' proprietary sustainability tools and third-party research. The Investment Manager will also typically engage with issuers directly to obtain information and to encourage improvements in sustainability performance. More information on Schroders' proprietary tools can be found at paragraph 4.5 of this Singapore Prospectus.

The Investment Manager ensures that at least 90% the portion of the Sub-Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria[16]. As a result of the application of sustainability criteria, at least 20% of the Sub-Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Sub-Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Sub-Fund's investment objective and strategy. This universe is comprised of equity and equity related securities of companies worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two thirds of its assets in equity and equity related securities of companies worldwide.

The Sub-Fund applies a disciplined value investment approach, seeking to invest in a select portfolio of companies that the Investment Manager believes are significantly undervalued relative to their long-term earnings potential.

The Sub-Fund maintains a higher overall sustainability score than the MSCI World (Net TR) index, based on the Investment Manager's rating system. The Sub-Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria. The Sub-Fund may invest in companies that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to three years.

The Sub-Fund may invest directly in China H-Shares and may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

[16] This relates to Schroders' application of the French AMF's rule for "significantly engaging funds". This applies to companies and so does not extend to other investments such as cash and sovereign debts.

The Sub-Fund may also invest up to one third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Environmental and/or Social Characteristics Promoted:

The Sub-Fund maintains a higher overall sustainability score than the MSCI World (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Sub-Fund.

The sustainability score is measured by SustainEx™, Schroders' proprietary tool that provides an estimate of the social and environmental costs and benefits that an issuer may create. More information on SustainEx™ can be found at paragraph 4.5 of this Singapore Prospectus.

The minimum proportion of the Sub-Fund's assets used to attain the environmental or social characteristics as stated in the Luxembourg Prospectus is equal to 80%. The Sub-Fund invests at least 50% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective(s).

Please refer to Appendix III and Appendix IV of the Luxembourg Prospectus and the "Sustainability-Related Disclosure" document for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/id/8fdd0a18-e855-4a0f-b750-4f2389c21639) and the "SFDR Periodic Report" for the Sub-Fund (which can be accessed at https://api.schroders.com/document-store/Schroder%20ISF%20Global%20Sustainable%20Value_SFDRPR_LU_EN.pdf) for more information on the Sub-Fund's sustainable investing strategy (including details about the various Schroder proprietary tools used by the Sub-Fund) and the additional information which is required to be disclosed under paragraph 14 of the ESG Circular.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies worldwide.

SISF Indian Equity

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI India (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Indian companies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Indian companies.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the MSCI India (Net TR) index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Indian companies.

SISF Global Equity Income Plus

Investment Objective:

The Sub-Fund aims to provide an annual yield in excess of the MSCI All Country World (Net TR) Index and capital growth by investing in equity and equity related securities of companies worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide. To enhance the dividend yield of the Sub-Fund, the Investment Manager will, sell short dated call options over individual securities held by the Sub-Fund. This may at times adversely affect the capital growth of the Sub-Fund.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the MSCI All Country World (Net TR) index, based on the Investment Manager's rating system.

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies worldwide.

Alpha Equity Funds

For "Alpha" Funds, the relevant Investment Manager adopts an active management strategy, by aggressively positioning the portfolio according to prevailing market conditions. This could be on the basis of particular sectors, themes or styles, or on a selected number

of investments which the relevant Investment Manager believes have the potential to provide enhanced returns relative to the market.

SISF Global Equity Alpha

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the MSCI World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

'Alpha' funds invest in companies in which the Investment Manager has a high conviction that the current share price does not reflect the future prospects for that business.

The Investment Manager seeks to identify companies which it believes will deliver future earnings growth above the level expected by the market typically on a three to five year horizon (the Investment Manager terms this as 'a positive growth gap').

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies worldwide.

Quantitative Equity Funds

SISF QEP Global Active Value

Investment Objective:

The Sub-Fund aims to provide capital growth and income in excess of the MSCI AC World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.

The Sub-Fund focuses on companies that have certain "Value" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market.

The Sub-Fund may invest directly in China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-

Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in equity and equity related securities of companies worldwide.

SISF QEP Global Core

Investment Objective:

The Sub-Fund aims to provide capital growth and income in excess of the MSCI World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.

The Sub-Fund's weight in a single country, region or sector will typically be within 3% of the target index whilst the weight of each security will typically be within 0.75% of the benchmark.

The Sub-Fund focuses on companies that have certain "Value" and / or "Quality" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength, governance and structural growth.

The Sub-Fund may invest directly in China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

The Sub-Fund maintains a higher overall sustainability score than MSCI World (Net TR) index, based on the Investment Manager's rating system.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in equity and equity related securities of companies worldwide.

SISF QEP Global Quality

Investment Objective:

The Sub-Fund aims to provide capital growth and income in excess of the MSCI AC World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.

The Sub-Fund focuses on companies that have certain "Quality" characteristics. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength, governance and structural growth.

The Sub-Fund may invest directly in China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

The Sub-Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Investment Manager's rating system.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in equity and equity related securities of companies worldwide.

SISF QEP Emerging Markets Core

Investment Objective:

The Sub-Fund aims to provide capital growth and income in excess of the MSCI Emerging Markets 10/40 (NDR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in emerging market countries.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies in emerging market countries.

The Sub-Fund focuses on companies that have certain "Value" and/or "Quality" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength, governance and structural growth.

The Sub-Fund may invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Sub-Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (NDR) index, based on the Investment Manager's rating system.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in equity and equity related securities of companies in emerging market countries.

Absolute Return Funds

"Absolute Return Funds" are managed with a view to generating a positive return (i.e. greater than zero) over a rolling period of no more than 12 months. The relevant Investment Manager will seek to generate such a return even in falling markets (or in expectation of falling markets) by either shorting (on a covered basis) the various sources of return and/or moving into cash and Money Market Investments. There is no guarantee that such objective may be achieved.

SISF Emerging Markets Debt Total Return

Investment Objective:

The Sub-Fund aims to provide capital growth and income after fees have been deducted by investing in fixed and floating rate securities issued by governments, government agencies, supra nationals and companies in emerging markets.

The Sub-Fund is designed to participate in rising markets while aiming to mitigate losses in falling markets through the use of cash and derivatives. The mitigations of losses cannot be guaranteed.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities, currencies and Money Market Investments in emerging markets. The fixed and floating rate securities are issued by governments, government agencies, supra-nationals and companies. The Sub-Fund may also hold cash.

In exceptional circumstances during periods of high market volatility, the Sub-Fund may hold up to 40% of its assets in deposits and Money Market Investments in developed markets. In such instances, the two-thirds referenced above will be measured against the Sub-Fund's assets excluding deposits and Money Market Investments in developed markets.

The Sub-Fund may invest in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Sub-Fund may invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds and warrants (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than 50% JPM GBI-EM Diversified Index and 50% JPM EMBI Diversified Index based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in fixed and floating rate securities, currencies and Money Market Investments in emerging markets.

Mainstream Bond Funds

SISF EURO Short Term Bond

Investment Objective:

The Sub-Fund aims to provide capital growth and income in excess of the Bloomberg Euro Aggregate (1-3 Y) index after fees have been deducted over a three to five year period by investing in short term fixed and floating rate securities denominated in Euro.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in short term fixed and floating rate securities with an investment grade or directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) denominated in Euro issued by governments, government agencies, supra-nationals and companies worldwide.

The average duration of the securities held by the Sub-Fund does not exceed 3 years and the effective maturity of any such security does not exceed 5 years.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies,

Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the Bloomberg Euro Aggregate (1-3 Y) index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in Euro denominated short term fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide.

SISF EURO Government Bond

Investment Objective:

The Sub-Fund aims to provide income and capital growth in excess of the ICE BofA Euro Government index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities issued or guaranteed by European governments, agencies or supra-national institutions of European countries denominated in or hedged to Euro.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities with an investment grade or, directly or indirectly (including via credit default swaps and credit default swap indices), with a sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) issued or guaranteed by European governments, agencies or supra-national institutions of European countries denominated in or hedged to Euro.

The Sub-Fund may also invest up one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the ICE BofA Euro Government index based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in fixed and floating rate securities issued by governments of countries whose currency is the Euro.

SISF Global Inflation Linked Bond

Investment Objective:

The Sub-Fund aims to provide capital growth and income in excess of the ICE BofA Global Governments Inflation-Linked EUR Hedged index after fees have been deducted over a three to five year period by investing in inflation-linked fixed income securities.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in inflation-linked fixed income securities with an investment grade or, directly or indirectly (including via credit default swaps and credit default swap indices), with a sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) issued by governments, government agencies, supra-nationals and companies worldwide.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the ICE BofA Global Governments Inflation-Linked EUR Hedged index based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in inflation–linked fixed income securities issued by governments, government agencies, supra-nationals and companies worldwide.

SISF US Dollar Bond

Investment Objective:

The Sub-Fund aims to provide income and capital growth in excess of the Bloomberg US Aggregate Bond (TR) index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities denominated in USD.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities, including asset-backed securities and mortgage-backed securities, denominated in USD, issued by governments, government agencies and companies worldwide.

The Sub-Fund invests in the full credit spectrum of fixed income investments. The Sub-Fund may invest:

- up to 40% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds); and
- up to 70% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an

investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the Bloomberg US Aggregate Bond (TR) index based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently. The Sub-Fund may use leverage.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in US Dollar denominated fixed and floating rate securities issued by governments, government agencies and companies worldwide.

SISF Global Bond

Investment Objective:

The Sub-Fund aims to provide capital growth and income in excess of the Bloomberg Global Aggregate Bond index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) issued by governments, government agencies, supra-nationals and companies worldwide in various currencies.

The Sub-Fund may invest:

- up to 10% of its assets in contingent convertible bonds;
- up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds); and
- up to 40% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Sub-Fund may invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via the Bond Connect or CIBM Direct).

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the Bloomberg Global Aggregate Bond index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in fixed and floating rate securities denominated in various currencies issued by governments, government agencies, supra-nationals and companies worldwide**.**

Specialist Bond Funds

SISF Asian Credit Opportunities

Investment Objective:

The Sub-Fund aims to provide capital growth and income in excess of the JP Morgan Asia Credit index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities issued by companies in Asia.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in various currencies and issued by companies, governments, government agencies and supra-nationals in Asia. For the purposes of this Sub-Fund, Asia includes the following west Asian countries: Bahrain, Israel, Lebanon, Oman, Qatar, Saudi Arabia, Turkey and United Arab Emirates.

The Sub-Fund may invest:

- up to 20% of its assets in asset-backed securities and mortgage-backed securities; and
- up to 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Sub-Fund may invest up to 20% of its assets in mainland China through the Qualified Foreign Investor ("**QFI**") scheme or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the JP Morgan Asia Credit index based on the Investment Manager's rating criteria.

The Sub-Fund intends to use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in fixed and floating rate securities issued by companies in Asia.

SISF EURO Corporate Bond

Investment Objective:

The Sub-Fund aims to provide capital growth and income in excess of the ICE BofA Euro Corporate index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities denominated in Euro issued by companies worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in or hedged to Euro issued by companies and other non-sovereign bond issuers, governments, government agencies and supra-nationals worldwide.

The Sub-Fund may invest:

- up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- up to 20% of its assets in sovereign government bonds;
- up to 20% of its assets in asset-backed securities and mortgage-backed securities; and
- up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

The Sub-Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth and income; and

- understand the risks of investing in fixed and floating rate securities denominated in or hedged to Euro issued by companies and other non-sovereign bond issuers, governments, government agencies and supra-nationals worldwide.

SISF Global Corporate Bond

Investment Objective:

The Sub-Fund aims to provide income and capital growth in excess of the Bloomberg Global Aggregate – Corporate index hedged to USD after fees have been deducted over a three to five year period by investing in fixed and floating rate securities issued by companies worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in various currencies and issued by companies worldwide.

The Sub-Fund invests in the full credit spectrum of fixed income investments. The Sub-Fund may invest:

- up to 40% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- up to 20% of its assets in securities issued by governments and government agencies; and
- up to 10% of its assets in contingent convertible bonds.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the Bloomberg Global Aggregate – Corporate index Hedged to USD, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently. The Sub-Fund may use leverage.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in fixed and floating rate securities denominated in various currencies issued by companies worldwide.

SISF Global High Yield

Investment Objective:

The Sub-Fund aims to provide income and capital growth in excess of the Bloomberg Global HYxCMBSxEMG index USD Hedged 2% cap after fees have been deducted over a three

to five year period by investing in below investment grade fixed and floating rate securities issued worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). The securities may be denominated in various currencies and issued by governments, government agencies, supra-nationals and companies worldwide.

The Sub-Fund may invest up to 15% of its assets in contingent convertible bonds. The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the Bloomberg Global HYxCMBSxEMG index USD Hedged 2% cap, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

The Sub-Fund may use leverage.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in below investment grade fixed and floating rate securities denominated in various currencies and issued by governments, government agencies, supra-nationals and companies worldwide.

SISF Strategic Bond

Investment Objective:

The Sub-Fund aims to provides capital growth and income in excess of the ICE BofA 3 month US Treasury Bill Index over a three to five year period after fees have been deducted by investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities in various currencies issued by governments, government agencies, supra-nationals and companies worldwide.

The Sub-Fund may invest:

- up to 10% of its assets in contingent convertible bonds;
- up to 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities with a non-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies); and

- up to 100% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Sub-Fund may invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

The Sub-Fund maintains a higher overall sustainability score than the Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index, based on the Investment Manager's rating system.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in fixed and floating rate securities in various currencies issued by governments, government agencies, supra-nationals and companies worldwide.

SISF Asian Local Currency Bond

Investment Objective:

The Sub-Fund aims to provide capital growth and income in excess of the iBoxx Asian Local Currency Bond index after fees have been deducted over a three to five year period by investing in Asian fixed income securities denominated in local currencies.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in fixed income securities with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) denominated in local currencies issued by governments, government agencies and companies in Asia (excluding Japan) and derivatives related to the above instruments. For the purposes of this Sub-Fund, Asia includes the following west Asian countries: Bahrain, Israel, Lebanon, Oman, Qatar, Saudi Arabia, Turkey and United Arab Emirates.

The Sub-Fund may invest up to 30% of its assets directly in mainland China through (i) QFI schemes or QFI related schemes supervised by the China Securities Regulatory Commission provided investment restriction 1.(A) (5) (I) of Appendix I of the Luxembourg Prospectus is complied with and/or they qualify as Investment Funds and (ii) Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

Investments in mainland China Regulated Markets and interbank bond markets may also be performed indirectly through notes, certificates or other instruments (which qualify as

transferable securities and do not embed a derivative element), open-ended Investment Funds and eligible derivative transactions.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the iBoxx Asian Local Currency Bond index, based on the Investment Manager's rating criteria.

The Sub-Fund intends to use derivatives (including total return swaps and long and short currency forwards) with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently. Where the Sub-Fund uses total return swaps, the underlying consists of instruments in which the Sub-Fund may invest according to its Investment Objective and Investment Strategy. In particular, the aim is to use total return swaps on a temporary basis in market conditions including but not limited to periods of slow economic growth and falling interest rates, and where the Investment Manager's view is that sovereign spread premiums will compress. The gross exposure of total return swaps will not exceed 20% and is expected to remain within the range of 0% to 5% of the Net Asset Value of the Sub-Fund. In certain circumstances this proportion may be higher.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in fixed income securities issued by governments, government agencies and companies in Asia, excluding Japan.

SISF Global Credit High Income

Investment Objective:

The Sub-Fund aims to provide capital growth and income by investing in fixed and floating rate securities issued by governments and companies worldwide. The Sub-Fund aims to mitigate losses in falling markets. The mitigation of losses cannot be guaranteed.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries.

The Sub-Fund may invest:

- in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- up to 40% of its assets in asset-backed securities and mortgage-backed securities (including in agency mortgage-backed securities and with a maximum of 20% of the Sub-Fund's assets in non-agency mortgage-backed securities and in asset-backed securities);
- up to 15% of its assets in convertible bonds (including contingent convertible bonds);
- up to 10% of its assets in open-ended Investment Funds; and

- in Money Market Investments and hold cash.

The Investment Manager aims to mitigate losses by diversifying the Sub-Fund's asset allocation away from areas of the market identified as having a high risk of material negative return.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, and warrants (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the Bloomberg Multiverse ex Treasury BBB+ to CCC+ USD, EUR, GBP index based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in fixed and floating rate securities and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, include emerging market countries.

SISF Asian Convertible Bond

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the FTSE Asia ex Japan Hedged Convertible Bond index (USD) after fees have been deducted over a three to five year period by investing in convertible securities issued by companies in Asia (excluding Japan).

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in a diversified range of convertible securities and other similar transferable securities, such as convertible preference securities, exchangeable bonds or exchangeable notes issued by companies in Asia (excluding Japan). The Sub-Fund may also invest in fixed and floating rate securities, equity and equity related securities of Asian companies (excluding Japan).

Convertible bonds are typically corporate bonds that can be converted into equities at a given price. As such, the Investment Manager believes investors can gain exposure to Asian (excluding Japan) equity markets with the defensive benefits and less volatile characteristics of a bond investment.

The Sub-Fund may invest in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in convertible securities issued by companies in Asia (excluding Japan).

SISF Global Convertible Bond

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the FTSE Global Focus Hedged Convertible Bond index (USD) after fees have been deducted over a three to five year period by investing in convertible securities issued by companies worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in a diversified range of convertible securities and other similar transferable securities, such as convertible preference securities, exchangeable bonds or exchangeable notes issued by companies worldwide. The Sub-Fund may also invest in fixed and floating rate securities, equity and equity related securities of companies worldwide.

Convertible bonds are typically corporate bonds that can be converted into shares at a given price. As such, the Investment Manager believes investors can gain exposure to global equity markets with the defensive benefits and less volatile characteristics of a bond investment.

The Sub-Fund may invest in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the FTSE Global Focus Hedged Convertible Bond index (USD), based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in convertible securities issued by companies worldwide.

SISF Global Credit Income

Investment Objective:

The Sub-Fund aims to provide income and capital growth by investing in fixed and floating rate securities issued by governments and companies worldwide. The Sub-Fund aims to mitigate losses in falling markets. The mitigation of losses cannot be guaranteed.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries.

The Sub-Fund may invest:

- in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- less than 30% of its assets in asset-backed securities and mortgage-backed securities (including agency mortgage-backed securities and with a maximum of 10% of the Sub-Fund's assets in non-agency mortgage-backed securities and asset-backed securities);
- up to 15% of its assets in convertible bonds (including contingent convertible bonds); and
- up to 10% of its assets in open-ended Investment Funds.

The Investment Manager aims to mitigate losses by diversifying the Sub-Fund's asset allocation away from areas of the market identified as having a high risk of material negative return.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

The Sub-Fund maintains a higher overall sustainability score than Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index, based on the Investment Manager's rating system.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries.

SISF Asian Bond Total Return

Investment Objective:

The Sub-Fund aims to provide capital growth and income by investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies in Asia.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities, derivatives related to these securities and currencies. The fixed and floating rate securities are issued by governments, government agencies, supra-nationals and companies in Asia. For the purposes of this Sub-Fund, Asia includes the following west Asian countries: Bahrain, Israel, Lebanon, Oman, Qatar, Saudi Arabia, Turkey and United Arab Emirates.

The Sub-Fund is designed to participate in rising markets whilst aiming to mitigate losses in falling markets through the use of derivatives. The mitigation of losses cannot be guaranteed.

The Sub-Fund may invest up to 30% of its assets in mainland China through the Qualified Foreign Investor ("**QFI**") scheme or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Sub-Fund may invest up to 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may (exceptionally) hold 100% of its assets in Money Market Investments or cash. This will be limited to a maximum of six months (otherwise the Sub-Fund will be liquidated). During this period, the Sub-Fund will not fall within the scope of MMFR.

The Sub-Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently. Where the Sub-Fund uses total return swaps, the underlying consists of instruments in which the Sub-Fund may invest according to its Investment Objective and Investment Strategy. In particular, the aim is to use total return swaps on a temporary basis in market conditions including but not limited to periods of slow economic growth and falling interest rates, and where the Investment Manager's view is that sovereign spread premiums will compress. The gross exposure of total return swaps will not exceed 20% and is expected to remain within the range of 0% to 5% of the Net Asset Value of the Sub-Fund. In certain circumstances this proportion may be higher.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies in Asia, derivatives relating to these securities and currencies.

SISF China Local Currency Bond

Investment Objective:

The Sub-Fund aims to provide capital growth and income in excess of the iBoxx ALBI China Onshore index after fees have been deducted over a three to five year period by investing in fixed income securities denominated in onshore RMB (CNY).

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities, convertible bonds and Money Market Investments denominated or hedged back to onshore RMB (CNY).

These instruments may be issued outside or inside of mainland China by governments, government agencies, supra-nationals and companies which may or may not be established or incorporated in mainland China across sectors and credit quality. The Sub-Fund may also invest in fixed income securities denominated in offshore RMB (CNH).

The Sub-Fund may invest up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Sub-Fund may invest in instruments traded on the RMB Bond market in Hong Kong and in instruments denominated in RMB traded on other Regulated Markets.

The Sub-Fund may invest up to 100% of its assets directly in mainland China through (i) QFI schemes or QFI related schemes supervised by the China Securities Regulatory Commission provided investment restriction 1.(A) (5) (I) of Appendix I of the Luxembourg Prospectus is complied with and/or they qualify as Investment Funds and (ii) Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

Investments in mainland China Regulated Markets and interbank bond markets may also be performed indirectly through notes, certificates or other instruments (which qualify as transferable securities and do not embed a derivative element), open-ended Investment Funds and eligible financial derivative instruments.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund maintains a higher overall sustainability score than the iBoxx ALBI China Onshore index, based on the Investment Manager's rating criteria.

The Sub-Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in fixed income securities denominated in onshore RMB (CNY).

Multi-Asset Funds

SISF Global Multi-Asset Income

Investment Objective:

The Sub-Fund aims to deliver income and capital growth by investing in a diversified range of assets and markets worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests directly or indirectly through derivatives in equity and equity-related securities, fixed income securities and Alternative Asset Classes (subject to any restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may invest:

- up to 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in below investment grade (fixed and floating rate) securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) and unrated securities.
- in excess of 50% of its assets in emerging market debt (fixed and floating rate) securities.
- up to 20% of its assets in asset-backed securities and mortgage-backed securities.

The Sub-Fund may also invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The exposure to Alternative Asset Classes is taken through eligible assets[6] as described in Appendix III of the Luxembourg Prospectus. The Sub-Fund maintains a higher overall sustainability score than 30% MSCI AC World Index (USD), 40% Barclays Global Aggregate Corporate Bond Index (USD) and 30% Barclays Global High Yield excl CMBS & EMG 2% Index (USD) based on the Investment Manager's rating criteria.

The Sub-Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently. Where the Sub-Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Sub-Fund may invest according to its Investment Objective and Investment Strategy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices.

The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher. The Sub-Fund may invest up to 10% of its assets in open-ended Investment Funds. The Sub-Fund may invest in Money Market Investments and hold cash.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in equity and equity related securities and fixed and floating rate securities of companies worldwide and fixed and floating rate securities and currencies of governments and government agencies worldwide directly or indirectly through funds and derivatives.

SISF Inflation Plus

Investment Objective:

The Sub-Fund aims to provide capital growth above inflation (as measured by the Eurozone Harmonized Consumer Price Index) after fees have been deducted over rolling three to five year periods by investing in a broad range of asset classes worldwide. There is no guarantee that the objective will be attained and your capital is at risk.

Investment Strategy:

The Sub-Fund is actively managed and may invest worldwide in commodities, equity and equity related securities of companies, fixed and floating rate securities and other Alternative Asset Classes in any currency, either directly or indirectly through open-ended Investment Funds and Exchange Traded Funds (subject to any restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may invest up to 50% of its assets indirectly in commodities. The exposure to commodities and other Alternative Asset Classes will be taken through eligible assets[6] as described under the definition of "Alternative Asset Classes" in Appendix III of the Luxembourg Prospectus.

The Sub-Fund may invest in excess of 50% of its assets, directly or indirectly (including via credit default swaps and credit default swap indices), in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Sub-Fund may exceptionally invest up to 100% of its assets in cash and Money Market Investments. This will be limited to a maximum of six months (otherwise the Sub-Fund will be liquidated). During this period, the Sub-Fund will not fall within the scope of MMFR.

The Sub-Fund may use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently. Where the Sub-Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Sub-Fund may invest according to its Investment Objective and Investment Strategy. In particular, the aim is to use total return swaps and contracts for difference on a continuous basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 75% and is expected to remain within the range of 0% to 25% of the Net Asset Value. In certain circumstances this proportion may be higher.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek to preserve and enhance real value (i.e. a positive return after inflation) offered through investment in a range of asset classes; and
- understand the risks of investing in a range of asset classes worldwide including equity and equity related securities, fixed and floating rate securities, currencies, commodities and cash.

SISF Global Target Return

Investment Objective:

The Sub-Fund aims to provide capital growth and income of ICE BofA 3 Month US Treasury Bill Index +5% per annum before fees have been deducted* over rolling three year periods by investing in a broad range of asset classes worldwide. There is no guarantee that the objective will be attained and your capital is at risk.

* For the target return after fees for each Share Class please visit the Schroder website: https://www.schroders.com/en-lu/lu/individual/funds-and-strategies/fund-administration/performance-targets-after-fees/

You should note that this is the investment objective of the Sub-Fund and the reference to target return / target return rate to be achieved by the Sub-Fund is not and should not be interpreted to be a prediction, projection or forecast of the future performance of the Sub-Fund. It is not indicative of the future or likely performance of the Sub-Fund.

Investment Strategy:

The Sub-Fund is actively managed and invests directly or indirectly (through open-ended Investment Funds and derivatives) in equities and equity related securities, fixed and floating rate securities (issued by governments, government agencies, supra-nationals and companies), mortgage-backed and asset-backed securities, convertible bonds, currencies and Alternative Asset Classes (as defined in Appendix III of the Luxembourg Prospectus) such as real estate, infrastructure and commodity related transferable securities (subject to any restrictions provided in Appendix I of the Luxembourg Prospectus). The Sub-Fund may invest up to 10% of its assets indirectly in commodities.

The Sub-Fund may hold up to 40% of its assets in open-ended Investment Funds. However, as the Sub-Fund grows the Investment Manager expects the Sub-Fund to hold less than 10% in open-ended Investment Funds. The Sub-Fund may invest directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Sub-Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend** of the MSCI World Index (hedged to USD), MSCI Emerging Market Index (unhedged), Bloomberg Global Aggregate Corporate Bond Index (hedged to USD), Bloomberg Global High Yield excl. CMBS & EMD 2% Index (hedged to USD), ICE BofA US Treasury Index (hedged to USD), JPM GBI Emerging Market Index – EM Local (unhedged) and JPM EMBI Index EM Hard Currency (hedged to USD), based on the Investment Manager's rating criteria.

** The blend will evolve over time in line with the actual asset allocation of the Sub-Fund.

The Sub-Fund intends to use derivatives (including total return swaps) with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently. Where the Sub-Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Sub-Fund may invest according to its Investment Objective and Investment Strategy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity

indices. The gross exposure of total return swaps and contracts for difference will not exceed 40% and is expected to remain within the range of 0% to 20% of the Net Asset Value of the Sub-Fund. In certain circumstances this proportion may be higher. The Sub-Fund may also invest in Money Market Investments and hold cash.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth and income without heightened exposure to risk;
- seek a diversified, flexible investment approach which aims to deliver stable returns whilst minimising losses; and
- understand the risks of investing in a range of asset classes worldwide including shares, bonds, currencies and commodities.

SISF Dynamic Income

Investment Objective:

The Sub-Fund aims to provide income and capital growth after fees have been deducted by investing in a diversified range of assets and markets worldwide including emerging markets.

Investment Strategy:

The Sub-Fund is actively managed and invests directly, or indirectly through derivatives, in equity and equity-related securities, fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging markets, in various currencies and Alternative Asset Classes (subject to any restrictions provided in Appendix I of the Luxembourg Prospectus). The exposure to Alternative Asset Classes is taken through eligible assets[6] as described in Appendix III of the Luxembourg Prospectus.

The Sub-Fund may invest:

- up to 40% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) and unrated securities;
- up to 30% of its assets in emerging markets;
- up to 20% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages; and
- up to 15% of its assets in Alternative Asset Classes.

The Sub-Fund may invest directly in China H-Shares and may invest less than 15% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext. The Sub-Fund may also invest up to 10% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Sub-Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently. Where the Sub-Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Sub-Fund may invest according to its investment objective and investment policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value of the Sub-Fund. In certain circumstances this proportion may be higher.

The Sub-Fund may invest in Money Market Investments and hold cash. The Sub-Fund may invest up to 10% of its assets in open-ended Investment Funds.

The Sub-Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend** of MSCI World Index (USD), MSCI Emerging Market Index (USD), Bloomberg Global Aggregate Corporate Bond Index (USD), Bloomberg Global High Yield excl CMBS & EMD 2% Index (USD), ICE BofA US Treasury Index (USD), JPM GBI Emerging Market Index - EM Local (USD), JPM EMBI Index EM Hard Currency (USD), FTSE Global Convertible Bonds Index (USD), based on the Investment Manager's rating criteria.

** This blend will evolve over time in line with the actual asset allocation of the Sub-Fund.

Distribution Policy:

The current distribution policy for the Sub-Fund is to declare distributions of 7.00% per annum of the Net Asset Value per Share on a monthly basis, on such date as may be determined by the Investment Manager, to Shareholders of the following Classes - USD A Distribution MF, USD C Distribution MF, HKD A Distribution MF, SGD Hedged A Distribution MF, CNH Hedged A Distribution MF, CHF A Distribution MF, CHF C Distribution MF, JPY A Distribution MF, JPY C Distribution MF, GBP Hedged A Distribution MF and GBP Hedged C Distribution MF.

The Investment Manager has the absolute discretion to determine whether a distribution is to be declared. The Investment Manager reserves the right to review and make changes to the distribution policy from time to time. In respect of a Distribution Class with fixed dividends, fixed dividends may be paid out of capital if investment income is less than the fixed dividend amount. In respect of a Distribution Class with variable dividends, the dividends are paid out of capital rather than out of investment income. Capital growth will be reduced and in periods of low growth, capital erosion may occur. Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing, directly or indirectly through derivatives, in equity and equity-related securities, fixed and floating rate securities issued by governments,

government agencies, supra-nationals and companies worldwide, including emerging markets, in various currencies and Alternative Asset Classes.

SISF Multi-Asset Growth and Income

Investment Objective:

The Sub-Fund aims to provide capital growth and income over a three to five year period after fees have been deducted by investing in a diversified range of assets and markets worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests directly, or indirectly through derivatives, in equity and equity-related securities, fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide in various currencies and Alternative Asset Classes (subject to any restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund may invest:

- up to 50% directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).
- up to 20% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Sub-Fund may invest directly in China H-Shares and may invest less than 15% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext. The Sub-Fund may also invest up to 10% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The exposure to Alternative Asset Classes is taken through eligible assets[6] as described in Appendix III of the Luxembourg Prospectus. The Sub-Fund maintains a higher overall sustainability score than 30% MSCI AC World Index (USD), 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD), 30% FTSE Convertible Global Focus index (USD) and 10% Barclays Global Aggregate Bond Index (USD), based on the Investment Manager's rating criteria.

The Sub-Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently. Where the Sub-Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Sub-Fund may invest according to its Investment Objective and Investment Strategy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to

gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Sub-Fund may invest in Money Market Investments and hold cash. The Sub-Fund may invest up to 10% of its assets in open-ended Investment Funds.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in equity and equity-related securities, fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide in various currencies and Alternative Asset Classes.

Asset Allocation Funds

SISF Commodity

Investment Objective:

The Sub-Fund aims to provide capital growth in excess of the Bloomberg Commodity Total Return index (BCOMTR Index) after fees have been deducted over a three to five year period by investing in commodity related instruments worldwide.

Investment Strategy:

The Sub-Fund is actively managed and invests at least two-thirds of its assets in a range of commodity related instruments, principally comprising swaps on eligible commodity financial indices, commodities through eligible assets[6] (as described under the definition of "Alternative Asset Classes" in Appendix III of the Luxembourg Prospectus) and to a lesser extent in equity and equity related securities in commodity related industries worldwide.

The Sub-Fund may be exposed to a range of commodity sectors from time to time but the Investment Manager anticipates that the Sub-Fund will be primarily invested in the energy, agriculture and metals sectors.

The Sub-Fund may however invest in any sector of the commodity market in the discretion of the Investment Manager. Individual commodities within a specific commodity sector may be highly correlated with each other, and correlation may be determined based on the price trends and historical returns of these individual commodities.

The Sub-Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Sub-Fund intends to use derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently. In particular, the aim is to use total return swaps on a continuous basis to gain net long exposure to commodity indices, although the swaps may contain both long and short exposures. The gross exposure of total return swaps will not exceed 450% and is expected to remain within the range of 150% to 250% of the Net Asset Value.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing primarily in a range of commodity related instruments in the energy, agriculture and metals sectors.

Money Market Funds

SISF US Dollar Liquidity

Investment Objective:

The Sub-Fund aims to provide income by investing in Money Market Instruments denominated in US Dollar. The Sub-Fund is designed to provide liquidity and aims to preserve the value of the investment in falling markets. The preservation of value or provision of liquidity cannot be guaranteed.

Investment Strategy:

The Sub-Fund is actively managed and invests in Money Market Instruments (rated at least investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies in addition to receiving a favourable assessment of their credit quality pursuant to the Management Company's internal credit quality assessment procedure) that are denominated in US Dollar and issued by government, government agencies and companies worldwide provided that (i) at the time of acquisition, the residual maturity of all such securities held in the portfolio does not exceed 12 months, taking into account any financial instruments connected therewith, or (ii) the terms and conditions governing those securities provide that the applicable interest rate is adjusted at least annually on the basis of market conditions and the residual maturity of all such securities does not exceed 2 years.

The Sub-Fund may use derivatives with the aim of hedging currency and interest rate risk. The Sub-Fund may also hold cash and make deposits with a credit institution.

Product Suitability:

The Sub-Fund is only suitable for investors who:

- seek the provision of liquidity and the preservation of the value of their investments in the event of falling markets; and
- understand the risks of investing primarily in Money Market Instruments that are denominated in US Dollar.

Shares of this Sub-Fund are prescribed capital markets products (as defined in the SF(CMP)R) and EIPs. For so long as the Shares of the Sub-Fund are classified as EIPs, the Sub-Fund does not and will not invest in any product or engage in any transaction which may cause the Shares of the Sub-Fund not to be regarded as prescribed capital markets products under the SF(CMP)R and as EIPs under the MAS Notices.

4.3 Details of the investment restrictions applicable to the Fund are set out in Appendix I of the Luxembourg Prospectus, and any additional investment restrictions applicable to specific Sub-Funds are set out in Appendix III of the Luxembourg Prospectus. You should also refer to Appendix III of the Luxembourg Prospectus for full details of the investment objective and, where applicable, investment policy of each Sub-Fund, including the section headed "Fund

Details", which further elaborates on and clarifies certain terms used in the descriptions of the investment objectives and policies of the various Sub-Funds.

4.4 Where a Sub-Fund's investment policy refers to achieving a certain sustainability score relative to a benchmark, this does not imply that the Sub-Fund is constrained by, or seeks to achieve a financial return relative to that benchmark unless otherwise stated. For Sub-Funds with a sustainable investment objective or environmental or social characteristics, details of how these are attained are disclosed in the Sub-Fund's investment policy in Appendix III and in the relevant disclosures in Appendix IV of the Luxembourg Prospectus.

Sustainability scores may be assessed over a period that the Investment Manager deems appropriate to that measure. For example, whether a Sub-Fund's investment policy states that the Sub-Fund will maintain a higher overall sustainability score than a named benchmark, this means that the Sub-Fund's weighted average score measured using SustainEx™ over the previous six month period will be higher than the benchmark's score over the same period, based on month-end data. Where a Sub-Fund's investment policy states that the Sub-Fund will maintain a positive absolute sustainability score, this means that the Sub-Fund's weighted average score using SustainEx™ over the previous six-month period will be higher than zero over the same period, based on month-end data.

SustainEx™ is Schroders' proprietary tool that provides an estimate of the net "impact" that an issuer may cay create in terms of social and environmental "costs" or "benefits". It does this by using certain indicators with respect to that issuer, and quantifying them positively and negatively to produce an aggregate notional measure of the effect that the relevant underlying issuer may have on society and the environment. It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures. Examples of such indicators are greenhouse gas emissions, water usage, and salaries compared to the living wage. The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales of the relevant underlying issuer. For example, a score of +2% would mean an issuer contributes $2 of relative notional positive impact (i.e. benefits to society) per $100 of sales. The sustainability score of the relevant Sub-Fund is derived from the scores of all issuers in the Sub-Fund's portfolio measured by SustainEx™.

Where a Sub-Fund's sustainable investment strategy states that the Sub-Fund invests in companies that have good governance practices, the Investment Manager utilises CONTEXT to help it develop a complete understanding of a company through a stakeholder lens. CONTEXT is data-driven and is a Schroders' proprietary ESG research tool that provides a systematic framework for analysing a company's relationships with its stakeholders and the sustainability of its business model. It identifies key performance drivers and data points to examine company strengths and weaknesses across different key stakeholder groups and is a central driver of the assessment of a company's stakeholder management. This proprietary tool includes over 250 data points to assess how well companies are governed and how likely they are to adapt to changing social and environmental pressures. It draws on both conventional and unconventional data sources. Examples of unconventional data are employee review reports, consumer product reviews, revenue from green products, community donations and frequency of lawsuits. By drawing on such unconventional sources that do not rely on company reporting, the Investment Manager is able to build a more complete picture of companies' performance and reduce its reliance on corporate disclosure, which remains incomplete, particularly among smaller companies in emerging regions. CONTEXT considers a number of good governance metrics, grouped into the categories of

sound management structures, employee relations, remuneration of staff and tax compliance. The CONTEXT tool is fully integrated within Schroders' global research platform, which is readily accessible across investment desks and geographies.

In addition to the SustainEx™ and CONTEXT proprietary tools described above, each Sub-Fund's investment desks may also develop and use various proprietary tools and measures that are specific to its sustainable investment strategy. Please note that the information provided about the various Schroders' proprietary tools in this Singapore Prospectus is accurate as at the date of this Singapore Prospectus, and that the functions and usage of the various Schroders' proprietary tools may be changed from time to time without further notice. **For the latest information and details on the various Schroders' proprietary tools, please refer to Appendix III and Appendix IV of the Luxembourg Prospectus and the "Sustainability-Related Disclosure" document for the respective Sub-Funds (the links to the respective documents are provided in paragraph 4.2 above).**

The Investment Manager's proprietary sustainability tools generate scores by using certain metrics and how scores are generated may change over time. The Investment Manager's proprietary sustainability tools may utilise third party data (including third party estimates) as well as its own modelling assumptions, and the outcome may differ from other sustainability tools and measures. The Investment Manager cannot confirm the accuracy, completeness and adequacy of such third party data and estimates. Generating scores involves an element of judgment and subjectivity across the different metrics chosen by the Investment Manager, and, as its proprietary sustainability tools evolve, changes made to how metrics are applied may result in changes to the score of any issuer and ultimately the overall Sub-Fund/portfolio score. At the same time, of course, the issuer's performance might improve or deteriorate. An issuer will be scored across applicable metrics and may score higher or lower on some metrics than on others. The scores are combined to provide an overall net score for the issuer.

The Investment Manager's proprietary sustainability tools may not cover all of the Sub-Fund's holdings from time to time, in which case the Investment Manager may use a range of alternative methods to assess the relevant holding. In addition, certain types of assets (such as cash) are treated as neutral and are therefore not considered by the Investment Manger's proprietary tools. Other types of assets such as equity indices and index derivatives may not be considered by the Investment Manager's proprietary tools and if so would be excluded from the Sub-Fund's sustainability score. This would mean that the environmental and/or social characteristics or sustainable investment objective of the Sub-Fund (as applicable) would not apply to positions held by the Sub-Fund in such assets.

4.5 Unless otherwise described in a Sub-Fund's details in Appendix III of the Luxembourg Prospectus, for the purposes of the Taxonomy, the Sub-Fund's investments do not take into account the EU criteria for environmentally sustainable economic activities.

The EU Taxonomy regulatory framework currently only provides technical screening criteria for the environmental objectives of climate change mitigation and climate change adaptation. Technical screening criteria for other environmental objectives within the meaning of the Taxonomy and criteria for determining whether economic activities qualify as socially sustainable economic activities remain to be proposed. Accordingly, Sub-Funds that have environmental objectives or promote environmental characteristics other than climate change mitigation or climate change adaptation or that have social investment objectives or promote social characteristics cannot take into account any such criteria for the time being.

4.6 Sub-Funds which have environmental and/or social characteristics (within the meaning of Article 8 of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("**SFDR**") and Sub-Funds which have the objective of sustainable investment (within the meaning of Article 9 of the SFDR) do not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the relevant Sub-Fund's webpage, which may be accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre. The Investment Manager of the abovementioned Sub-Funds which come within Articles 8 and 9 of the SFDR may also engage with companies held by the relevant Sub-Fund to challenge identified areas of weakness on sustainability issues. More details on the relevant Investment Manager's approach to sustainability and its engagement with companies are available at: https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/. Further details on stakeholder engagement and voting records are available at: https://www.schroders.com/en-us/us/institutional/what-we-do/sustainability-analysis-in-practice/.

5. CENTRAL PROVIDENT FUND ("CPF") INVESTMENT SCHEME

<table>
<tr><th rowspan="2">No.</th><th rowspan="2">Sub-fund and share class</th><th colspan="2">CPFIS</th><th rowspan="2">CPF Risk Classification</th></tr>
<tr><th>Ordinary Account</th><th>Special Account</th></tr>
<tr><td>1.</td><td>SISF Global Equity Alpha</td><td colspan="2" rowspan="4">Approved as underlying fund of insurance products included under CPFIS and is not available for subscription using CPF monies</td><td>Higher Risk – Broadly Diversified</td></tr>
<tr><td>2.</td><td>SISF Emerging Asia</td><td>Higher Risk – Narrowly Focused – Regional – Asia</td></tr>
<tr><td>3.</td><td>SISF China Opportunities*</td><td>Higher Risk – Narrowly Focused – Country – Greater China</td></tr>
<tr><td>4.</td><td>SISF Global Emerging Market Opportunities*</td><td>Higher Risk – Narrowly Focused – Regional – Emerging Market</td></tr>
<tr><td>5.</td><td>SISF Greater China SGD F Acc</td><td>✓</td><td></td><td>Higher Risk – Narrowly Focused – Country – Greater China</td></tr>
<tr><td>6.</td><td>SISF Sustainable Asian Equity SGD F Acc</td><td>✓</td><td></td><td>Higher Risk – Narrowly Focused – Regional – Asia</td></tr>
<tr><td>7.</td><td>SISF Global Sustainable Growth SGD F Acc</td><td>✓</td><td></td><td>Higher Risk – Broadly Diversified</td></tr>
</table>

8.	SISF Global Innovation SGD F Acc	✓		Higher Risk – Broadly Diversified
9.	SISF Indian Equity SGD F Acc	✓		Higher Risk – Narrowly Focused – Country – India

* *As of the date of this prospectus, there may be other retail funds offered to investors in Singapore which feed into this sub-fund. Such retail feeder funds may be available for subscription using CPF monies.*

CPF interest rates

The CPF interest rate for the Ordinary Account ("**OA**") is based on the 3-month average of major local banks' interest rates, subject to the legislated minimum interest of 2.5% per annum. The interest rate for OA is reviewed quarterly.

The CPF interest rate for the Special Account, Medisave Account and Retirement Account (collectively, the "**SMRA**") is computed based on the 12-month average yield of 10-year Singapore Government Securities ("**10YSGS**") plus 1%, subject to the current floor interest rate of 4% per annum. The interest rate for SMRA is reviewed quarterly.

As announced by the CPF Board, the Singapore government will maintain the 4% p.a. minimum rate for interest earned on all SMRA monies until 31 December 2026. Thereafter, interest rates on all CPF account monies will be subject to a minimum rate of 2.5% p.a. (unless the Singapore government extends the 4% floor rate for interest earned on all SMRA monies).

The CPF Board pays CPF members below 55 years old an extra interest rate of 1% per annum on the first $60,000 of a CPF member's combined balances (capped at $20,000 for OA). The first $20,000 in the OA and the first $40,000 in the CPF Special Account are not allowed to be invested under the CPFIS.

In addition, CPF members aged 55 and above will also earn an additional 2% extra interest on the first S$30,000 of their combined balances (capped at $20,000 for OA) and an additional 1% on the next $30,000.

Please refer to the CPF website for further information. You should note that the applicable interest rates for each of the CPF accounts may be varied by the CPF Board from time to time.

Subscriptions using CPF monies shall at all times be subject to amongst others the regulations and such directions or requirements imposed by the CPF Board from time to time. Administrative charges may be deducted by the relevant CPF administrators. Shareholders should check with their CPF administrators for details of the arrangement.

6. CHARGES AND EXPENSES

Charges and expenses payable by Shareholders	
Initial Charge	**Class A & A1** Equity Funds and Asset Allocation Funds

	Up to 5% of the Gross Investment Sum[1] Multi-Asset Funds Up to 5% of the Gross Investment Sum[1] for: - SISF Global Multi-Asset Income Up to 4% of the Gross Investment Sum[1] for: - SISF Inflation Plus - SISF Global Target Return - SISF Dynamic Income - SISF Multi-Asset Growth and Income Absolute Return Funds and Bond Funds Up to 3% of the Gross Investment Sum[1] Money Market Funds None for both Class A and Class A1 Shares **Class AX** Multi-Asset Funds Up to 4% of the Gross Investment Sum[1] for: - SISF Global Target Return Equity Funds Up to 5% of the Gross Investment Sum[1] for: - SISF Global Dividend Maximiser **Class C & K1** Up to 1% of the Gross Investment Sum[1] **Class F, I, IZ, V, X, Y, Y1, Z** None
Switching Charge	**Class K1, V** None **All other classes** Up to 1%
Redemption Charge	Currently nil The Fund may introduce a redemption charge based on the Net Asset Value per Share of the relevant Share Classes of the relevant Sub-Fund in favour of the Sub-Fund.
Contingent Deferred Sales Charge	**Class V** Class V Shares are subject to a Contingent Deferred Sales Charge ("**CDSC**") which may be payable to the Management Company or

<table>
<tr>
<td></td>
<td>such other party as the Management Company may from time to time appoint. Class V Shares will be available for subscription during an offer period, which may be adjusted at the Management Company's discretion. At the end of such offer period Class V Shares will no longer be available for subscription. Where Class V Shares are redeemed within 3 years of the end-date of the offer period, the redemption proceeds will be subject to a CDSC at the rates set out in the table below.
<table>
<tr><th>Redemption during years since end of offer period</th><th>Applicable rate of CDSC (% of Net Asset Value per Share of the Class V Shares being redeemed on the relevant Dealing Day calculated in the relevant dealing currency of the Class V Shares being redeemed)</th></tr>
<tr><td>1st Year</td><td>Up to 3%</td></tr>
<tr><td>2nd Year</td><td>Up to 2%</td></tr>
<tr><td>3rd Year</td><td>Up to 1%</td></tr>
</table>
For Class V Shares that are redeemed within the offer period, the applicable CDSC rate will be up to 3%.

The applicable rate of CDSC is determined by reference to the total length of time during which the Class V Shares being redeemed were held from the end of the offer period. Dividends payable on Class V distribution Share Classes cannot be automatically reinvested and will be paid in cash.

No CDSC is payable for switches involving the same type of Class V Shares within the same Sub-Fund.

Please refer to paragraph 10.3 of the Prospectus for an illustration of the computation of the CDSC.

All other classes

None</td>
</tr>
</table>

[1] The Initial Charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion. The Initial Charge may be partly or fully waived at the Directors' discretion.

The current amount of sales charge, redemption charge, switching charge and distribution fee (if applicable) varies according to the type of Sub-Funds and the Share Class in each Sub-Fund.

Share Classes

Class A	Available to all Investors.

Class AX and A1	Available to Investors who at the time the relevant subscription order is received are customers of certain distributors appointed specifically for the purpose of distributing the AX and A1 Shares and only in respect of those Sub-Funds for which distribution arrangements have been made with such distributors.
Class C	Available to (i) institutional investors, as defined in article 174(2) of the Law, (ii) mutual funds and (iii) distributors which according to regulatory requirements, or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.
Class F	Available to Investors who (i) at the time the relevant subscription order is received are Singapore Investors utilising the CPF to subscribe into the Sub-Fund or, (ii) Singaporean funds of funds and investment-linked insurance product sub-funds which are included under Singapore's CPF investment scheme. This Share Class is only available for subscription in SGD.
Class K1	Available in certain limited circumstances to certain distributors who (i) have entered into an agreement with the Management Company relevant to such Shares, (ii) have a significant investment in the relevant Sub-Fund as determined by the Management Company; and (iii) who according to regulatory requirements, or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions. When a Shareholder's assets in K1 Shares fall significantly, the Management Company may then reject additional subscriptions into the relevant Share Class. The level of significance will be determined by the Management Company.
Class I	Available to investors who, (i) at the time the relevant subscription order is received, are clients of Schroders with an agreement covering the charging structure relevant to the clients' investments in such Shares; and (ii) are institutional investors, as defined in article 174(2) of the Law.
Class IZ	Available in certain limited circumstances to certain investors who, (i) have the agreement of the Management Company; (ii) have a significant investment in the relevant Fund as determined by the Management Company; and (iii) are institutional investors as defined in article 174(2) of the Law. When a Shareholders' assets in IZ Shares fall significantly the Management Company may then reject additional subscriptions into the relevant Share Class. The level of significance will be determined by the Management Company.
Class V	Available to investors through certain distributors of prior agreement with the Management Company.
Class X	Available to institutional investors with prior agreement of the Management Company, as defined in article 174(2) of the Law.

Class Y and Y1	Available at the discretion of the Management Company. Before the management Company can accept a subscription into Class Y and Y1 Shares, a legal agreement must be in place between the Investor and Schroders containing terms specific to investment in these classes.
Class Z	Available in certain limited circumstances (i) for distribution in certain countries and through certain distributors who have separate fee arrangements with their clients and/or (ii) to professional investors, with the prior agreement of the Management Company.

Please refer to the section headed "Share Classes" and the Sub-Funds' details in Appendix III of the Luxembourg Prospectus for details on the current fees and the specific features of the Share Classes.

Some distributors may charge other fees which are not listed in this Singapore Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Charges and expenses payable by the Sub-Funds

Sub-Funds and Share Classes	Annual Management Charge Note 1
SISF EURO Equity	
Class A Note 2	1.50%
Class C	0.75%
Class K1	Up to 1.50%
SISF Japanese Equity	
Class A Note 2	1.25%
Class C	0.75%
Class I Note 3	Nil
SISF All China Equity	
Class A Note 2	1.50%
Class C	0.75%
Class Y	Up to 1.50%
SISF China A All Cap	
Class A Note 2	1.50%
Class C	1.00%
SISF Asian Opportunities	
Class A Note 2	1.50%
Class C	0.75%
Class I Note 3	Nil
SISF Dynamic Income	
Class A Note 2	1.25%
Class C	0.75%
SISF Swiss Equity	
Class A Note 2	1.25%
Class C	0.75%
SISF UK Equity[17]	
Class A Note 2	1.10%
Class C	0.60%
SISF Global Equity	
Class A Note 2	1.25%
Class C	0.45%
Class I Note 3	Nil
SISF US Large Cap	
Class A Note 2	1.25%
Class C	0.55%
Class I Note 3	Nil
SISF Asian Dividend Maximiser	
Class A Note 2	1.50%
Class C	0.75%
SISF Asian Equity Yield	
Class A Note 2	1.50%
Class C	1.00%
Class IZ Note 4	Up to 1.00%
SISF Sustainable Asian Equity	
Class A Note 2	1.50%
Class C	0.75%
Class F Note 2	1.50%
SISF BIC (Brazil, India, China)	
Class A Note 2	1.50%
SISF Emerging Asia	
Class A Note 2	1.50%
Class C	1.00%

[17] With effect from 7 December 2026, the Sub-Fund's name will change to SISF European Core Equity, and the Annual Management Charge for Class C will change to 0.45%.

Sub-Funds and Share Classes	Annual Management Charge [Note 1]
Class Y	Up to 1.50%
SISF Emerging Europe	
Class A [Note 2]	1.50%
Class C	1.00%
SISF Emerging Markets	
Class A [Note 2]	1.50%
Class C	0.75%
Class I [Note 3]	Nil
SISF European Dividend Maximiser	
Class A [Note 2]	1.50%
SISF European Smaller Companies	
Class A [Note 2]	1.50%
Class C	0.75%
SISF Frontier Markets Equity	
Class A [Note 2]	1.50%
Class C	1.00%
Class I [Note 3]	Nil
SISF European Special Situations	
Class A [Note 2]	1.50%
Class C	0.75%
Class K1	Up to 1.50%
SISF European Sustainable Equity	
Class A [Note 2]	1.25%
Class C	0.625%
SISF Global Sustainable Value	
Class A [Note 2]	1.50%
Class C	0.75%
SISF Global Climate Change Equity	
Class A [Note 2]	1.50%
Class C	0.75%
SISF Global Emerging Market Opportunities	
Class A [Note 2]	1.50%
Class C	1.00%
SISF Global Energy	
Class A [Note 2]	1.50%
Class C	1.00%
Class I [Note 3]	Nil
SISF Global Dividend Maximiser	
Class A [Note 2]	1.50%
Class AX [Note 2]	1.50%
Class C	0.75%
SISF Global Equity Yield	
Class A [Note 2]	1.50%
Class C	0.75%
SISF Global Gold	
Class A [Note 2]	1.50%
SISF Global Cities	
Class A [Note 2]	1.50%
Class C	0.75%
SISF Global Innovation	
Class A [Note 2]	1.50%
Class C	0.75%
Class F	1.50%
SISF Global Alternative Energy	
Class A [Note 2]	1.50%
Class C	0.75%
Class IZ [Note 4]	Up to 0.75%
SISF Global Smaller Companies	
Class A [Note 2]	1.50%
Class C	1.00%
Class I [Note 3]	Nil
SISF Global Sustainable Growth	
Class A [Note 2]	1.30%
Class C	0.65%
Class F [Note 2]	1.30%
Class I [Note 3]	Nil
SISF Greater China	
Class A [Note 2]	1.50%
Class C	1.00%
Class F [Note 2]	1.50%
SISF Healthcare Innovation	
Class A [Note 2]	1.50%
Class C	0.75%
SISF Hong Kong Equity	
Class A [Note 2]	1.50%
Class C	1.00%
SISF Indian Opportunities	
Class A [Note 2]	1.50%
Class C	0.75%
Class F [Note 2]	1.50%
Class I [Note 3]	Nil
SISF Japanese Opportunities	
Class A [Note 2]	1.50%
Class C	1.00%
Class I [Note 3]	Nil
SISF Japanese Smaller Companies	
Class A [Note 2]	1.50%
Class C	1.00%
SISF Latin American	
Class A [Note 2]	1.50%
Class C	1.00%
SISF Robotics and Automation	
Class A [Note 2]	1.50%
Class C	0.75%
SISF US Small & Mid-Cap Equity	
Class A [Note 2]	1.50%
Class C	0.85%

Sub-Funds and Share Classes	Annual Management Charge [Note 1]
Class X	Up to 1.00%
SISF US Smaller Companies Impact	
Class A [Note 2]	1.50%
Class C	0.85%
SISF Asian Total Return	
Class A [Note 2]	1.50%
Class C	1.00%
Class Y1	Up to 1.50%
SISF China Opportunities	
Class A [Note 2]	1.50%
Class C	1.00%
Class K1	Up to 1.50%
SISF European Value	
Class A [Note 2]	1.50%
Class C	0.75%
SISF Global Sustainable Food and Water	
Class A [Note 2]	1.50%
Class C	0.75%
SISF China A	
Class A [Note 2]	1.50%
Class C	1.00%
SISF Global Equity Alpha	
Class A [Note 2]	1.50%
Class C	0.65%
SISF QEP Global Active Value	
Class A [Note 2]	1.25%
Class C	0.65%
SISF QEP Global Core	
Class C	0.275%
Class I [Note 3]	Nil
SISF QEP Global Quality	
Class A [Note 2]	1.25%
Class C	0.65%
Class I [Note 3]	Nil
SISF Emerging Markets Debt Total Return	
Class A [Note 2]	1.50%
Class C	0.90%
SISF EURO Short Term Bond	
Class A [Note 2]	0.50%
Class C	0.20%
SISF EURO Government Bond	
Class A [Note 2]	0.40%
Class C	0.20%
SISF Global Inflation Linked Bond	
Class A [Note 2]	0.75%
Class C	0.375%
SISF US Dollar Bond	
Class A [Note 2]	0.75%

Sub-Funds and Share Classes	Annual Management Charge [Note 1]
Class C	0.50%
SISF Global Bond	
Class A [Note 2]	0.75%
Class C	0.50%
Class I [Note 3]	Nil
SISF Asian Credit Opportunities	
Class A [Note 2]	1.00%
Class C	0.50%
SISF EURO Corporate Bond	
Class A [Note 2]	0.75%
Class C	0.45%
Class Z	Up to 0.45%
SISF Global Corporate Bond	
Class A [Note 2]	0.75%
Class C	0.45%
SISF Global High Yield	
Class A [Note 2]	1.00%
Class C	0.60%
SISF Strategic Bond	
Class A [Note 2]	1.00%
Class C	0.60%
SISF Asian Local Currency Bond	
Class A [Note 2]	1.00%
Class C	0.60%
SISF Global Credit High Income	
Class A [Note 2]	1.20%
Class C	0.60%
Class I [Note 3]	Nil
SISF Asian Convertible Bond	
Class A [Note 2]	1.25%
Class C	0.75%
SISF Global Convertible Bond	
Class A [Note 2]	1.25%
Class C	0.75%
SISF Global Credit Income	
Class A [Note 2]	1.10%
Class C	0.55%
Class I [Note 3]	Nil
SISF Asian Bond Total Return	
Class A [Note 2]	1.00%
Class C	0.60%
SISF China Local Currency Bond	
Class A [Note 2]	0.75%
Class C	0.375%
Class I [Note 3]	Nil
SISF Global Multi-Asset Income	
Class A [Note 2]	1.25%
Class C	0.75%
Class I [Note 3]	Nil

Sub-Funds and Share Classes	Annual Management Charge [Note 1]
SISF Inflation Plus	
Class A [Note 2]	1.50%
Class C	0.75%
SISF Global Target Return	
Class A [Note 2]	1.25%
Class AX [Note 2]	1.25%
Class C	0.625%
Class I [Note 3]	Nil
SISF Commodity	
Class A [Note 2]	1.50%
Class C	1.00%
SISF US Dollar Liquidity	
Class A [Note 2]	0.20%
Class A1 [Note 2]	0.20%
Class C	0.20%
Class I [Note 3]	Nil
SISF Multi-Asset Growth and Income	
Class A [Note 2]	1.25%
Class C	0.75%
Class V [Note 2]	1.25%
SISF Indian Equity	
Class A [Note 2]	1.50%
Class C	1.00%
Class F [Note 2]	1.50%
Class I [Note 3]	Nil
SISF QEP Emerging Markets Core	
Class A [Note 2]	0.70%
Class C	0.35%
Class I [Note 3]	Nil
Class K1	Up to 1.50%
SISF Global Equity Income Plus	
Class A [Note 2]	1.30%
Class C	0.65%

Note 1 calculated based on the Net Asset Value of each Share Class

Note 2 In respect of the Annual Management Charge for Class A Shares, Class AX Shares, Class F, and Class V Shares of each Sub-Fund (as the case may be):

(a) 35% to 100% of the Annual Management Charge of the Sub-Fund is retained by the Management Company;

(b) 0 to 65%# of the Annual Management Charge of the Sub-Fund is paid by the Management Company to the financial adviser (trailer fee);

(c) In respect of SISF US Dollar Liquidity, 30% to 100% of the Annual Management Charge of the Sub-Fund is retained by the Management Company. 0% to 70% of the Annual Management Charge of the Sub-Fund is paid by the Management Company to the financial adviser (trailer fee);

(d) in respect of SISF China Opportunities, SISF Emerging Asia, SISF Global Emerging Market Opportunities, SISF Global Sustainable Growth, SISF Greater China and SISF Sustainable Asian Equity, the median trailer fees payable to Singapore distributors is 50%;

(e) in respect of SISF Global Equity Alpha and SISF Global Innovation, the median trailer fees payable to Singapore distributors is 48%;

(f) In respect of SISF Indian Equity, the median trailer fees payable to Singapore distributors is currently not applicable.

In all cases, the median trailer fee is derived based on the trailer fees payable only to direct Singapore retail distributors for the Class A and Class F Units. Institutional investors (including insurers or investment-linked plans) or accredited investors, and/or non-Singapore distributors are excluded in the computation of both the median trailer fee and the trailer fee range whereby a trailer fee arrangement may not be applicable.

[#] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Note 3 I Shares are designed to accommodate an alternative charging structure whereby the Investor is a client of Schroders and is charged Annual Management Charges directly by Schroders. No Annual Management Charges will be payable in respect of I Shares out of the net assets of the relevant Sub-Fund.

Note 4 Class IZ Shares will only be available in certain limited circumstances to certain investors who: (A) have the agreement of the Management Company; (B) have a significant investment in the relevant Sub-Fund as determined by the Management Company, and (C) are institutional investors. As at the date of this Singapore Prospectus, an Annual Management Charge may be payable in respect of Class IZ Shares of the SISF Global Alternative Energy and SISF Asian Equity Yield only. Please refer to the table above for more details.

Note: Fees for Style Equity Funds, Multi-Manager Funds, Defensive Funds and Liquidity Funds have not been stated since none of the Sub-Funds fall within these categories.

- **Custody fees and administration fees**

The Fund will bear custody fees for safekeeping services and transaction fees, which are calculated and accrued daily and paid monthly, generally based on the Net Asset Value of the relevant Sub-Fund. Such fees vary depending on the market and country in which the underlying assets are held or settled, subject to a maximum of 0.3% per annum and USD75 per transaction. The level of such fees may be reviewed by the Depositary and the Fund from time to time based on prevailing Luxembourg market rates. Any reasonable expenses incurred by the Depositary or sub-custodians are payable in addition to these fees.

The Fund will also bear administration fees, including fees payable to the Fund Administrator and the Management Company, of up to 0.25% per annum of the Net Asset Value of the relevant Sub-Fund. As these fees are calculated as a fixed percentage of the Net Asset Value, they do not vary according to the actual cost of providing the services, and the Management Company may therefore realise a profit or loss in providing such services. These fees are subject to periodic review by the Management Company and the Fund. The Management Company is also entitled to reimbursement of all reasonable out-of-pocket expenses properly incurred in the performance of its duties and may, at its discretion, partially or fully bear certain Fund expenses in order to reduce the overall costs borne by investors, a Sub-Fund or a Share Class.

- **Accounting and valuation fees**

The Fund will pay fees relating to core fund accounting and valuation services; such fees are calculated and accrued on each Business Day at up to 0.0083 per cent per annum of the Net Asset Value of a Sub-Fund. Additional fees may be due from each Sub-Fund for additional services such as non-standard valuations, additional accounting services, and for tax reporting services. The accounting and valuation fees are subject to review by the Depositary and the Fund from time to time.

- **Other Charges/expenses**

The Fund will pay all charges and expenses incurred in the operation of the Fund including, without limitation, taxes, expenses for legal and auditing services, brokerage, governmental duties and charges, stock exchange listing expenses, settlement costs and bank charges and

fees due to supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the Shares of the Fund may be marketed in different countries; expenses incurred in the issue, switch and redemption of Shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of Share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs of printing proxies, statements, Share certificates or confirmations of transactions, Shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation. In certain circumstances expenses payable by the Fund may also comprise investment research fees.

- **Share Class Hedging Charge**

  The share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes of each Sub-Fund.

  Please refer to the section headed "Administration Details, Charges and Expenses" in the Luxembourg Prospectus and the Sub-Funds' details in Appendix III of the Luxembourg Prospectus for full details.

7. RISK FACTORS, INVESTMENTS, DERIVATIVES AND SUPPLEMENTARY INFORMATION

7.1 Risk Factors

You should consider and satisfy yourself as to the risks of investing in any of the Sub-Funds. The Directors, the Investment Managers, and the Singapore Representative cannot guarantee the extent to which the investment objectives will be achieved.

The value of the Shares in any Sub-Fund and the income from them can fall as well as rise and you may not realise the value of your initial investment.

Changes in the rates of exchange between currencies may also cause the value of the Shares to diminish or to increase. The Investment Manager, and where applicable the Sub-Investment Manager(s), may hedge a Sub-Fund's base currency against the currencies in which the underlying assets of the Sub-Fund are denominated or the underlying unhedged assets of a target fund are denominated. There can be no assurance that the currency hedging employed will fully eliminate the currency exposure to the Reference Currency of the relevant Share Class. Please refer to Appendix I of the Luxembourg Prospectus, as well as the Sub-Funds' details and the section headed "Currency and Hedging policy" in Appendix III of the Luxembourg Prospectus for further details on the Fund's currency hedging policy.

For Share Classes which are not denominated in SGD, foreign currency exchange rate movements are likely to affect the returns to investors in Singapore, and investors may be exposed to exchange rate risks.

The general risk factors applicable to the Sub-Funds are set out in Appendix II of the Luxembourg Prospectus. The specific risk considerations applicable to the Sub-Funds are set out in the Sub-Funds' details in Appendix III of the Luxembourg Prospectus. Please also refer to Annexure I to this Singapore Prospectus for further risk factors applicable to the Sub-Funds.

Sub-Funds which invest in Chinese shares are also subject to the taxes associated with investing in Chinese shares. You should refer to the sections headed "Emerging and Less Developed Markets Securities Risk" and "Taxes Associated with investing in Mainland China" in Appendix II of the Luxembourg Prospectus for information on such taxes.

Sub-Funds which have environmental and/or social characteristics (within the meaning of Article 8 of the SFDR) and Sub-Funds which have the objective of sustainable investment (within the meaning of Article 9 of the SFDR), and/or which are described at paragraph 4.2 in this Singapore Prospectus as ESG Funds under the ESG Circular, may have limited exposure to some companies, industries or sectors as a result and each such Sub-Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager of the relevant Sub-Fund. As Investors may differ in their views of what constitutes sustainable investing, the Sub-Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to the section headed "Sustainability Risks" in Appendix II of the Luxembourg Prospectus for more details on such sustainability risks.

7.2 Permissible Investments and Restrictions

The permissible investments and restrictions relating to the Sub-Funds are more fully described in Appendix I of the Luxembourg Prospectus under the headings "Investment in Transferable Securities and Liquid Assets", "Investment in Other Assets", "Derivatives", "Use of Techniques and Instruments relating to transferable securities and Money Market Investments" and "Management of Collateral".

7.3 Derivatives

(a) Types of Derivatives

The derivatives which may be used by the Sub-Funds include, but are not limited to, equity, currency, volatility or index-related derivatives and include over-the-counter (OTC) and/ or exchange traded options, futures, contracts for differences, warrants, swaps, forward contracts and/ or a combination of the above.

The Fund may also enter into volatility futures and options transactions traded on a Regulated Market. These instruments measure market expectations of near term implied volatility conveyed by stock index prices and are used to hedge volatility within funds. Any such index has to meet the following requirements:

- the composition of the index is sufficiently diversified,

- the index represents an adequate benchmark for the market to which it refers,

- it is published in an appropriate manner.

(b) Exposure to Derivatives

The Sub-Funds may use derivatives for investment purposes, efficient portfolio management and for hedging purposes within the limits of the Regulations[18]. Under no circumstances shall the use of these instruments and techniques cause a Sub-Fund to diverge from its investment policy or objective. The risks against which the Sub-Funds could be hedged may be, for instance, market risk, foreign exchange risk, interest rates risk, credit risk, volatility or inflation risks.

Subject to the paragraph below, each Sub-Fund may invest in financial derivative instruments that are traded OTC including, without limitation, total return swaps, contracts for difference or other financial derivative instruments with similar characteristics, in accordance with the conditions set out in Appendix I of the Luxembourg Prospectus and the investment objective and policy of each Sub-Fund. When a Sub-Fund uses total return swaps, it is disclosed in the details of each Sub-Fund at paragraph 4.2 of this Singapore Prospectus. Such OTC derivatives shall, to the extent capable of being held in custody, be safekept by the Depositary. Further information on the safekeeping of the collateral received is included in the section headed “Depositary” in the Luxembourg Prospectus.

Notwithstanding anything in this Singapore Prospectus, in accordance with the SF(CMP)R and the MAS Notices and subject to the extent allowed by the Authority, as long as Shares of a Sub-Fund are classified as prescribed capital markets products and EIPs, the EIP Sub-Fund does not and will not invest in any product, or engage in any transaction, which will cause its Shares not to be regarded as prescribed capital markets products or EIPs. You should refer to the MAS Notices for further details.

A total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

[18] “**Regulations**” refers to the Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF’s positions. “**CSSF**” refers to the Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervisory Authority).

Total return swaps entered into by a Sub-Fund may be in the form of funded and/or unfunded swaps. An unfunded swap means a swap where no upfront payment is made by the total return receiver at inception. A funded swap means a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset and can therefore be costlier due to the upfront payment requirement.

All revenue arising from total return swaps, net of direct and indirect operational costs and fees, will be returned to each Sub-Fund and are not subject to return sharing agreements. The costs attributed to total return swaps held are included in the spread.

Unless specified otherwise in Appendix III of the Luxembourg Prospectus, the global exposure relating to derivatives will be calculated using a commitment approach. Sub-Funds applying a Value-at-Risk ("**VaR**") approach to calculate their global exposure will contain an indication thereto in Appendix III of the Luxembourg Prospectus.

Agreements on OTC derivatives

A Sub-Fund may enter into agreements on OTC derivatives. The counterparties to any OTC derivatives transactions, such as total return swaps, contracts for difference, repurchase and reverse repurchase transactions or other derivatives, entered into by a Sub-Fund, are selected from a list of counterparties approved by the Management Company. The Management Company will aim to select the best available counterparties for any given markets in accordance with its group internal policy. The counterparties will be first class institutions which are either credit institutions or investment firms in each case with a registered office in an EU Member State, a G10 country or another country whose prudential rules are considered equivalent by the CSSF for this purpose, and authorised under the MiFID directive or a similar set of rules and which are subject to prudential supervision. The Management Company monitors the ongoing creditworthiness of all counterparties and the list may be amended. The counterparties will have no discretion over the composition or management of the relevant Sub-Fund's portfolio or over the underlying of the financial derivative instruments. The identity of the counterparties will be disclosed in the annual report of the Fund.

Since the counterparties with which the Sub-Funds enter into total return swaps do not assume any discretion over the Sub-Fund's investments (including the reference assets, if any), no approval of the counterparties is required for any transactions relating to the investments of the Sub-Funds.

Global Exposure

The global exposure of each Sub-Fund is formally monitored either using the commitment approach or the VAR approach. The selection should be based on the self-assessment by the Fund of its risk profile resulting from its investment policy. Sub-Funds which apply the commitment approach to calculate their global exposure may net their OTC derivatives positions with the same counterparty and if applicable, legal opinions will be obtained to the effect that such netting arrangement is legally enforceable by the Sub-Funds against their counterparty.

Sub-Funds applying a Value-at-Risk (VaR) approach to calculate their global exposure will contain an indication thereto, as well as information on their expected level of leverage, in Appendix III of the Luxembourg Prospectus. You should refer to Appendix III of the Luxembourg Prospectus for details on such Sub-Funds and their expected level of leverage.

The expected level of leverage of a Sub-Fund is an indicator and not a regulatory limit. The Sub-Fund's levels of leverage may be higher than this expected level as long as the Sub-Fund remains in line with its risk profile and complies with its VaR limit.

The annual report will provide the actual level of leverage over the past period and additional explanations on this figure.

The level of leverage is a measure of (i) the derivative usage and (ii) the reinvestment of collateral in relation to efficient portfolio management transactions. It does not take into account other physical assets directly held in the portfolio of the relevant Sub-Funds. It also does not represent the level of potential capital losses that a Sub-Fund may incur.

The level of leverage is calculated as (i) the sum of notionals of all derivatives contracts entered into by the Sub-Fund expressed as a percentage of the Sub-Fund's Net Asset Value and (ii) any additional leverage generated by the reinvestment of collateral in relation to efficient portfolio management transactions.

This methodology does not:

- make a distinction between derivatives that are used for investment or hedging purposes. As a result strategies that aim to reduce risk will contribute to an increased level of leverage for the Sub-Fund.
- allow the netting of derivatives. As a result, derivative roll-overs and strategies relying on a combination of long and short positions may contribute to a large increase in the level of leverage when they do not increase, or only cause a moderate increase in the overall Sub-Fund risk.
- take into account the derivative underlying assets' volatility or make a distinction between short-dated and~~&~~ long-dated assets. As a result, a Sub-Fund that exhibits a high level of leverage is not necessarily riskier than a Sub-Fund that exhibits a low level of leverage.

Commitment Approach

The commitment conversion methodology for standard derivatives is always the market value of the equivalent position in the underlying asset. This may be replaced by the notional value or the price of the futures contract where this is more conservative. For non-standard derivatives, where it is not possible to convert the derivative into the market value or notional value of the equivalent underlying asset, an alternative approach may be used provided that the total amount of the derivatives represents a negligible portion of a Sub-Fund's portfolio.

VaR approach

The calculation of the absolute and relative VaR should be carried out in accordance with the following parameters:

- one-tailed confidence interval of 99%;
- holding period equivalent to 1 month (20 business days);
- effective observation period (history) of risk factors of at least 1 year (250 business days) unless a shorter observation period is justified by a significant increase in price volatility (for instance extreme market conditions);

- quarterly data set updates, or more frequent updates when market prices are subject to material changes; and
- at least daily calculation.

Stress testing will also be applied at a minimum of once per month.

VaR limits are set using an absolute or relative approach.

Absolute VaR approach

The absolute VaR approach is generally appropriate in the absence of an identifiable reference portfolio or benchmark, for example with absolute return funds. The absolute VaR approach limits the maximum VaR that a UCITS fund can have relative to its Net Asset Value. The absolute VaR of a Sub-Fund cannot be greater than 20% of its Net Asset Value as this is a regulatory limit. This limit is based upon a 1 month holding period and a 99% unilateral confidence interval.

Relative VaR approach

The relative VaR approach is used for Sub-Funds where a VaR benchmark reflecting the investment strategy which the Sub-Fund is pursuing is defined. Under the relative VaR approach a limit is set as a multiple of the VaR of a benchmark or reference portfolio. The VaR of the Sub-Fund portfolio cannot be greater than twice the VaR of the reference portfolio. Information on the specific VaR benchmark used is disclosed in Appendix III of the Luxembourg Prospectus. The reference benchmark used by each relevant Sub-Fund is the VaR benchmark for the Sub-Fund as disclosed in Appendix III of the Luxembourg Prospectus and the rationale for using the reference benchmark is that it reflects the investment strategy which the Sub-Fund is pursuing.

No.	Sub-Fund	Risk Management Method
1.	SISF EURO Equity	Commitment approach
2.	SISF Japanese Equity	Commitment approach
3.	SISF Asian Opportunities	Commitment approach
4.	SISF Swiss Equity	Commitment approach
5.	SISF UK Equity[19]	Commitment approach
6.	SISF Global Equity	Commitment approach
7.	SISF US Large Cap	Commitment approach
8.	SISF All China Equity	Commitment approach
9.	SISF Asian Dividend Maximiser	Commitment approach
10.	SISF Asian Equity Yield	Commitment approach
11.	SISF Sustainable Asian Equity	Commitment approach
12.	SISF BIC (Brazil, India, China)	Commitment approach
13.	SISF China A All Cap	Commitment approach

[19] With effect from 7 December 2026, the Sub-Fund's name will change to SISF European Core Equity.

No.	Sub-Fund	Risk Management Method
14.	SISF Emerging Asia	Commitment approach
15.	SISF Emerging Europe	Commitment approach
16.	SISF Emerging Markets	Commitment approach
17.	SISF European Dividend Maximiser	Commitment approach
18.	SISF European Sustainable Equity	Commitment approach
19.	SISF European Smaller Companies	Commitment approach
20.	SISF Frontier Markets Equity	Commitment approach
21.	SISF European Special Situations	Commitment approach
22.	SISF Global Climate Change Equity	Commitment approach
23.	SISF Global Emerging Market Opportunities	Commitment approach
24.	SISF Global Energy	Commitment approach
25.	SISF Global Dividend Maximiser	Commitment approach
26.	SISF Global Equity Yield	Commitment approach
27.	SISF Global Gold	Commitment approach
28.	SISF Global Cities	Commitment approach
29.	SISF Global Innovation	Commitment approach
30.	SISF Global Alternative Energy	Commitment approach
31.	SISF Global Smaller Companies	Commitment approach
32.	SISF Global Sustainable Growth	Commitment approach
33.	SISF Global Sustainable Value	Commitment approach
34.	SISF Greater China	Commitment approach
35.	SISF Healthcare Innovation	Commitment approach
36.	SISF Hong Kong Equity	Commitment approach
37.	SISF Indian Opportunities	Commitment approach
38.	SISF Japanese Opportunities	Commitment approach
39.	SISF Japanese Smaller Companies	Commitment approach
40.	SISF Latin American	Commitment approach
41.	SISF Robotics and Automation	Commitment approach
42.	SISF US Smaller Companies Impact	Commitment approach
43.	SISF Asian Total Return	Commitment approach
44.	SISF China Opportunities	Commitment approach
45.	SISF US Small & Mid-Cap Equity	Commitment approach

No.	Sub-Fund	Risk Management Method
46.	SISF European Value	Commitment approach
47.	SISF Global Sustainable Food and Water	Commitment approach
48.	SISF China A	Commitment approach
49.	SISF Global Equity Alpha	Commitment approach
50.	SISF QEP Global Active Value	Commitment approach
51.	SISF QEP Global Core	Commitment approach
52.	SISF QEP Global Quality	Commitment approach
53.	SISF Emerging Markets Debt Total Return	Commitment approach
54.	SISF EURO Short Term Bond	Relative VaR approach
55.	SISF EURO Government Bond	Relative VaR approach
56.	SISF Global Inflation Linked Bond	Relative VaR approach
57.	SISF US Dollar Bond	Relative VaR approach
58.	SISF Global Bond	Relative VaR approach
59.	SISF Asian Credit Opportunities	Absolute VaR approach
60.	SISF EURO Corporate Bond	Relative VaR approach
61.	SISF Global Corporate Bond	Relative VaR approach
62.	SISF Global High Yield	Relative VaR approach
63.	SISF Strategic Bond	Absolute VaR approach
64.	SISF Asian Local Currency Bond	Relative VaR approach
65.	SISF Global Credit High Income	Absolute VaR approach
66.	SISF Asian Convertible Bond	Commitment approach
67.	SISF Global Convertible Bond	Commitment approach
68.	SISF Global Credit Income	Absolute VaR approach
69.	SISF Asian Bond Total Return	Absolute VaR approach
70.	SISF China Local Currency Bond	Relative VaR approach
71.	SISF Global Multi-Asset Income	Commitment approach
72.	SISF Inflation Plus	Commitment approach
73.	SISF Global Target Return	Commitment approach
74.	SISF Commodity	Absolute VaR approach
75.	SISF Dynamic Income	Commitment approach
76.	SISF US Dollar Liquidity	Commitment approach
77.	SISF Multi-Asset Growth and Income	Commitment approach

No.	Sub-Fund	Risk Management Method
78.	SISF Indian Equity	Commitment approach
79.	SISF QEP Emerging Markets Core	Commitment approach
80.	SISF Global Equity Income Plus	Commitment approach

(c) Use of Derivatives / Volatility of the Sub-Funds

Each Sub-Fund may employ derivatives with the aim of achieving investment gains, reducing risk or managing the Sub-Fund more efficiently in accordance with its investment policy and risk profile or for hedging and investment purposes in accordance with its risk profile or for hedging and investment purposes (as the case may be). Details of the use of derivatives by Money Market Funds, Mainstream Equity Funds, Specialist Equity Funds, Alpha Equity Funds, Quantitative Equity Funds, Absolute Return Funds, Mainstream Bond Funds, Specialist Bond Funds, Multi-Asset Funds and Asset Allocation Funds are set out in Appendix III of the Luxembourg Prospectus. All derivatives investments will be made in accordance with Appendix I of the Luxembourg Prospectus.

The net asset value of each of the Sub-Funds listed in Annexure II to this Singapore Prospectus is likely to have a high volatility due to its investment policies or portfolio management techniques.

For Sub-Funds that use derivatives to meet their specific investment objectives, there is no guarantee that the performance of the derivatives will result in a positive effect for the Sub-Fund and its Shareholders.

(d) Risks and Limits on use of Derivatives

The risks relating to the use of derivatives like warrants, credit default swaps, credit linked notes, equity linked notes, total return swaps and futures and options are set out in Appendix II of the Luxembourg Prospectus.

Each Sub-Fund may, as a part of its investment policy and within the limits laid down in section 1(A)(7) and section 1(C)(5) of Appendix I of the Luxembourg Prospectus under the heading "Investment in Transferable Securities and Liquid Assets", invest in financial derivatives instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in sections 1(C)(1) to (7) of Appendix I of the Luxembourg Prospectus. When a Sub-Fund invests in index-based derivatives compliant with the provisions of sections 1(C)(1) to (7), these investments do not have to be combined with the limits laid down in section 1(C) of Appendix I of the Luxembourg Prospectus. The frequency of the review and rebalancing of the composition of the underlying index of such derivatives varies per index and could be daily, weekly, monthly, quarterly or annually. The rebalancing frequency will have no impact in terms of costs in the context of the performance of the investment objective of the relevant Sub-Fund. When a transferable security or Money Market Investment embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of these restrictions. Transferable securities or Money Market Investments backed by other assets are not deemed to embed a derivative.

(e) Risks associated with investment in debt instruments with loss-absorption features

A Sub-Fund may invest in instruments with loss-absorption features such as, contingent convertible debt securities ("**CoCos**"), senior non-preferred debt and other instruments which qualify as Additional Tier 1 or Tier 2 capital instruments as defined in the MAS Notice 637 on Risk Based Capital Adequacy Requirements for Banks Incorporated in Singapore.

Debt instruments with loss-absorption features are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary share upon the occurrence of a pre-defined trigger event (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), which are likely to be outside of the issuer's control. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.

In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.

A Sub-Fund or an underlying fund of a Sub-Fund may invest in CoCos which are highly complex and are of high risk. Upon the occurrence of the trigger event, CoCos may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero. Coupon payments on CoCos are discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

A Sub-Fund or an underlying fund of a Sub-Fund may invest in senior non-preferred debts. While such instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.

7.4 Risk Management Process and Supplementary Information

The Fund will employ a risk-management process which enables it, with the relevant Investment Manager, to monitor and measure at any time the risk of the positions, the use of efficient portfolio management techniques, the management of collateral and their contribution to the overall risk profile of each Sub-Fund. The Fund or the relevant Investment Manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivatives.

The investment decision making process for each Sub-Fund includes the consideration of sustainability risks alongside other factors. You should refer to the section headed "Risk Management Process" in the Luxembourg Prospectus under the sub-header "Sustainability Risk Management" for more details on how the Management Company takes sustainability risks into account in the management of the Sub-Funds.

The relevant Investment Manager will ensure that the risk management and compliance procedures are adequate and have been or will be implemented and that they have the requisite expertise to manage the risks relating to the use of derivatives. At your written request, the Singapore Representative will procure that supplementary information relating to the quantitative limits that apply in the risk management of the relevant Sub-Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments. This supplementary information includes the Value-at-Risk levels set for the relevant Sub-Fund using such risk measure.

8. VALUATION, MARKET TIMING AND FREQUENT TRADING POLICY

8.1 Net Asset Value (for all Sub-Funds save for Money Market Funds)

(a) The Net Asset Value per Share of each Share Class will be calculated on each Dealing Day in the currency of the relevant Share Class. It will be calculated by dividing the Net Asset Value attributable to each Share Class, being the proportionate value of its assets less its liabilities, by the number of Shares of such Share Class then in issue. The resulting sum shall be rounded to the nearest four decimal places.

(b) If on any Dealing Day the aggregate transactions in Shares of a Sub-Fund result in a net increase or decrease of Shares which exceeds a threshold set by the Directors from time to time for that Sub-Fund (relating to the cost of market dealing for that Sub-Fund), the Net Asset Value of the Sub-Fund will be adjusted, to the extent allowed by applicable law, by an amount which reflects both the estimated fiscal charges and dealing costs that may be incurred by the Sub-Fund and the estimated bid/offer spread of the assets in which the Sub-Fund invests. However, under unusual or exceptional market conditions (such as significant market volatility, market disruption or significant economic contraction, a terrorist attack or war (or other hostilities), a pandemic or other health crisis, or a natural disaster), the Management Company may decide, on a temporary basis, to adjust the Net Asset Value of a Fund by more than 2% when such a decision is justified as being in the best interests of the shareholders. The adjustment will be an addition when the net movement results in an increase of all Shares of the Sub-Fund and a deduction when it results in a decrease. Please see the sections headed “Dilution” and “Dilution Adjustment” of the Luxembourg Prospectus for more details.

(c) The Directors reserve the right to allow the Net Asset Value per Share of each Share Class to be calculated more frequently than once daily, or to otherwise alter dealing arrangements on a permanent or a temporary basis, for example, where the Directors consider that a material change to the market value of the investments in one or more Sub-Funds so demands.

(d) The Directors are authorised to apply other appropriate valuation principles to the assets of the Sub-Funds and/or the assets of a given Share Class if the valuation methods appear impossible or inappropriate due to extraordinary circumstances or events.

Unless otherwise provided in the Sub-Fund’s details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the Net Asset Value per Share of the relevant Sub-Fund. The Management Company may also take into account whether relevant local stock exchanges and / or Regulated Markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for Sub-Funds which invest a substantial amount of their portfolio on these closed stock exchanges and / or Regulated Markets. A list of expected non-Dealing Days for the Funds is available from the Singapore Representative on request and is also available on page 2 of the document found at the following webpage: https://api.schroders.com/document-store/SG-Funds-Dealing-Calendar-SGEN.pdf.

Unless otherwise provided in the Sub-Fund’s details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year’s Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Investors should refer to **section 2.4. “Calculation of Net Asset Value**” in the Luxembourg Prospectus for more details on the calculation of Net Asset Value for the Sub-Funds. In

particular, sub-paragraph (C) of section 2.4. of the Luxembourg Prospectus sets out the rules which are applicable to the valuation of total assets of a Sub-Fund (unless otherwise provided for in Appendix III of the Luxembourg Prospectus in respect of a Money Market Fund).

8.2 Net Asset Value (for Money Market Funds only)

In respect of Sub-Funds which qualify as Money Market Funds only, the Net Asset Value per Share of the relevant Sub-Fund shall be rounded to the nearest basis point or its equivalent when the Net Asset Value is published in a currency unit.

By derogation to paragraph 8.1 above (which incorporates by reference the contents of the **section 2.4. "Calculation of Net Asset Value**" in the Luxembourg Prospectus), the assets of Sub-Funds qualifying as Money Market Funds will be valued using the following valuation principles:

(A) Liquid assets and Money Market Instruments will be valued at Mark-to-Market or Mark-to-Model (as defined in the Luxembourg Prospectus) where the use of Mark-to-Market is not possible or the market data is not of sufficient quality;

(B) Shares or units of Money Market Funds shall be valued at their last available net asset value as reported by such money market funds;

(C) The value of any cash on hand or on deposit and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined conservatively by using Mark-to-Model; and

(D) Any assets or liabilities in currencies other than the Fund Currency will be converted using the relevant spot rate quoted by a bank or other recognised financial institution.

The assets of Sub-Funds qualifying as Money Market Funds shall be valued on at least a daily basis.

The Net Asset Value per Share of a Money Market Fund shall be calculated as the difference between the sum of all assets of the relevant Sub-Fund and the sum of all liabilities of the Sub-Fund valued in accordance with Mark-to-Market or Mark-to-Model, or both, divided by the number of outstanding Shares of the relevant Sub-Fund.

Shares of a Money Market Fund shall be issued or redeemed at a price that is equal to the relevant Net Asset Value per Share calculated on the Dealing Day (plus any applicable initial charge or less any applicable redemption charge).

8.3 Market Timing and Frequent Trading Policy

The Fund does not knowingly allow dealing activities which are associated with market timing or frequent trading practices, as such practices may adversely affect the interests of all Shareholders.

For the purposes of this section, market timing is held to mean subscriptions into, switches between or redemptions of Shares from the various Share Classes (whether such acts are performed singly or severally at any time by one or several persons) that seek or could reasonably be considered to appear to seek profits through arbitrage or market timing opportunities. Frequent trading is held to mean subscriptions into, switches between or redemptions of Shares from the various Share Classes (whether such acts are performed singly or severally at any time by one or several persons) that by virtue of their frequency or size cause

any Sub-Fund's operational expenses to increase to an extent that could reasonably be considered detrimental to the interests of the Sub-Fund's other Shareholders.

Accordingly, the Directors may, whenever they deem it appropriate, cause the Management Company to implement either one, or both, of the following measures:

- The Management Company may combine shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Directors and/or Management Company reserve the right to cause the Transfer Agent to reject any application for switching and/or subscription of shares from investors whom the former considers market timers or frequent traders.
- If a Sub-Fund is primarily invested in markets which are closed for business at the time the Sub-Fund is valued, the Directors may, during periods of market volatility, and by derogating from the provisions under the heading "Calculation of Net Asset Value" in the Luxembourg Prospectus, cause the Management Company to allow for the Net Asset Value per Share to be adjusted to reflect more accurately the fair value of the Sub-Fund's investments at the point of valuation.

The Fund uses an independent agent to provide the fair valuation analysis. The adjustment of the Net Asset Value per share of a Sub-Fund so as to reflect the fair value of the portfolio as at the point of valuation is an automated process. Adjustment factors are applied daily at an individual asset level to independently sourced market prices. The adjustment process covers all equity markets that are closed at the relevant valuation point and all Sub-Funds that have exposure to these markets are fair value priced. In applying fair value pricing, the Fund is seeking to ensure that consistent prices are applied across all relevant Sub-Funds. Fixed income and other asset classes are currently not subject to fair value pricing.

Where an adjustment is made as per the foregoing, it will be applied consistently to all Share Classes in the same Sub-Fund.

9. SUBSCRIPTION FOR SHARES

9.1 Subscription Procedure

You may apply for Shares on such application forms as may be prescribed by the Transfer Agent or the distributors appointed by the Singapore Representative through whom you are purchasing Shares. The Management Company and/or the Fund in their absolute discretion reserve the right to instruct the Transfer Agent to reject your application in whole or in part. If your application is rejected, your application monies or balance thereof without interest will be refunded to you at your cost and risk. The following table sets out the modes of payment accepted for subscription of the relevant Share Classes:

Funding Source	**Eligible Sub-Funds and Share Classes**
Cash	Shares of any Sub-Fund.
CPF monies	Class F Accumulation (SGD) for the following sub-funds: • SISF Greater China • SISF Sustainable Asian Equity • SISF Global Sustainable Growth • SISF Global Innovation • SISF Indian Equity

	Subject to any restrictions from time to time imposed on applications using CPF monies by any applicable authority. You should contact the Singapore Representative or the relevant distributors for more information on the availability of subscriptions using CPF monies. You should also refer to paragraph 5 of this Singapore Prospectus for further information on the Share Classes available for subscription using CPF monies.
Supplementary Retirement Scheme ("**SRS**") monies	• Class A Distribution or Class A Accumulation Shares denominated in SGD or SGD Hedged of any Sub-Fund except, the SGD Hedged A Accumulation Shares of SISF US Dollar Liquidity • Class C Accumulation (SGD) Shares of SISF Greater China and SISF Global Sustainable Growth Fund Subject to applicable SRS restrictions. You should contact the Singapore Representative or the relevant distributors for more information on the availability of subscriptions using SRS monies.

You should also refer to the section headed "**Share Classes**" in paragraph 6 of this Singapore Prospectus for further information on the availability of certain Share Classes to certain investors only.

For subscriptions using cash, you are required to complete the relevant application form and send it, together with a cheque for the application monies, to the distributors duly appointed by the Singapore Representative on or before 5.00 p.m. (Singapore time) on a Singapore Business Day[20] ("**Singapore Cut Off Time**"). Subscription payments may also be made through such other modes of payment as may be accepted by the Singapore Representative from time to time.

For subscriptions using SRS monies or CPF monies, you are required to complete the relevant application form and send it to the distributors duly appointed by the Singapore Representative on or before the Singapore Cut Off Time. You should instruct (whether via the application form or otherwise) your SRS operator bank or CPFIS agent bank (as the case may be) to withdraw from your SRS account or CPF account (as the case may be), the SRS monies or the CPF monies (as the case may be) in respect of the Shares applied for. If you are a first time investor with Schroders, you should send a copy of your Identity Card or passport to the distributors duly appointed by the Singapore Representative.

You should note that distributors appointed by the Singapore Representative may provide a nominee service for investors who invest in a Sub-Fund through them. If you make use of such service, the distributor will hold Shares in its name for and on your behalf and the distributor will be entered in the register of shareholders as the shareholder of the relevant Shares and will be the only person recognised as having an interest in the relevant Shares.

You should note that the subscription of Shares via the distributors appointed by the Singapore Representative will be subject to the relevant distributors being open for business, and also to the subscription and settlement procedures of the distributors.

[20] "**Singapore Business Day**" means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

You should also note that not all distributors appointed by the Singapore Representative will offer all the Sub-Funds or all the Share Classes of a Sub-Fund, and that the distributors may impose an earlier dealing or payment cut-off time than that specified in this Singapore Prospectus. You should therefore check with the relevant distributor for further details.

Currency Exchange Service

Payments to and from the Shareholder should normally be made in the currency of the relevant Share Class. However, if the Shareholder selects a currency other than the currency of the relevant Share Class for any payments to or from the Fund, this will be deemed to be a request by the Shareholder to the Management Company acting on behalf of the Fund to provide a foreign exchange service (provided by the Transfer Agent on the Management Company's behalf) to the Shareholder in respect of such payment. Details of the charge applied to foreign exchange transactions, which is retained by the Management Company, are available upon request from the Management Company acting on behalf of the Fund. The cost of currency conversion and other related expenses will be borne by the relevant Investor. This currency exchange service will not be available for certain Sub-Funds, as indicated in Appendix III of the Luxembourg Prospectus. For such Sub-Funds, payments to and from the Shareholder shall be made in the currency of the relevant Share Class.

Full details of the issue of Shares in the Sub-Funds and the subscription procedure in respect of Shares in the Sub-Funds are set out under the headings "How to subscribe", "How to pay" and "Restrictions on Subscriptions and Switches into Certain Funds or Share Classes" in the Luxembourg Prospectus. You should take note of the investment restrictions applicable to certain investors set out under the headings "Investment Restrictions applying to US Investors" and "Investment restrictions applying to Canadian investors" in the Luxembourg Prospectus.

9.2 Minimum Subscription Amount, Minimum Additional Subscription Amount and Minimum Holding Amount

Share Class	Minimum Subscription Amount	Minimum Additional Subscription Amount	Minimum Holding Amount
A	EUR 1,000 or USD 1,000 or their near equivalent in any other freely convertible currency		
A1	EUR 1,000 or USD 1,000 or their near equivalent in any other freely convertible currency		
AX	EUR 1,000 or USD 1,000 or their near equivalent in any other freely convertible currency		
C	EUR 1,000 or USD 1,000 or their near equivalent in any other freely convertible currency	EUR 1,000 or USD 1,000 or their near equivalent in any other freely convertible currency	EUR 1,000 or USD 1,000 or their near equivalent in any other freely convertible currency
F[21]	EUR 1,000 or USD 1,000 or their near equivalent in any other freely convertible currency		

[21] Class F Shares are only available for subscription in SGD.

I	EUR 5,000,000 or USD 5,000,000 or their near equivalent in any other freely convertible currency	EUR 2,500,000 or USD 2,500,000 or their near equivalent in any other freely convertible currency	EUR 5,000,000 or USD 5,000,000 or their near equivalent in any other freely convertible currency
X	EUR 25,000,000 or their near equivalent in any other freely convertible currency	EUR 12,500,000 or their near equivalent in any other freely convertible currency	EUR 25,000,000 or their near equivalent in any other freely convertible currency
IZ, Z	EUR 100,000,000 or USD 100,000,000 or their near equivalent in any other freely convertible currency	EUR 20,000,000 or USD 20,000,000 or their near equivalent in any other freely convertible currency	EUR 100,000,000 or USD 100,000,000 or their near equivalent in any other freely convertible currency
K1	No minimum	No minimum	No minimum
Y, Y1	EUR 1,000 or USD 1,000 or their near equivalent in any other freely convertible currency		
V	EUR 1,000 or USD 1,000 or their near equivalent in any other freely convertible currency		

These minimum amounts may be waived at the Directors' discretion from time to time.

9.3 Dealing Deadline and Pricing Basis

Shares are priced on a forward basis, as more fully described below. This means that the Net Asset Value per Share is determined after the Dealing Cut Off Time stated below.

Shares of any Share Class are available for subscription up to 1.00 pm (Luxembourg time) on any Dealing Day (the "**Dealing Cut Off Time**").

For Shares to be issued at the Net Asset Value per Share determined on a relevant Dealing Day (plus any applicable Initial Charge), completed applications and cleared funds must be received by the distributors appointed by the Singapore Representative on or before the Singapore Cut Off Time on a Singapore Business Day.

The relevant distributor will collect all applications it receives on or before the Singapore Cut Off Time and will forward such applications to the Singapore Representative for processing with the Transfer Agent. **You should note that the subscription of Shares via the distributors in Singapore will be subject to the relevant distributors being open for business, and also to the subscription and settlement procedures of the distributors. You should also note that not all distributors in Singapore will offer all the Sub-Funds or all Share Classes of a Sub-Fund, and the distributors may impose an earlier dealing or payment cut-off time than that specified in this Singapore Prospectus. You should therefore check with the relevant distributor for further details.**

Applications received by a duly appointed distributor of the Sub-Funds in Singapore on or before the Singapore Cut Off Time on a Singapore Business Day will, if accepted by the Transfer Agent on or before the Dealing Cut Off Time of the relevant Dealing Day, be processed on the same Dealing Day and dealt with at the issue price based on the Net Asset Value per

Share of the same Dealing Day (plus any applicable Initial Charge). Applications received by the duly appointed distributor after the Singapore Cut Off Time of a Singapore Business Day or at any time on a day which is not a Singapore Business Day shall be deemed as having been received by the distributor before the Singapore Cut Off Time on the next Singapore Business Day.

Details on the calculation of the Net Asset Value per Share and valuation of investments are set out under the heading "Calculation of Net Asset Value" in the Luxembourg Prospectus.

9.4 Numerical Examples of How Shares are Allotted

Class A, AX and A1 Shares

Assuming an Initial Charge of 5.0%, the number of Shares allotted for a gross investment amount of $1,000.00 is calculated as follows:

$1,000.00	-	$50.00	=	$950.00
(Gross Investment Sum)	-	(Initial Charge)	=	(Net Investment Amount)
$950.00	÷	$10.0000*	=	95 Shares
(Net Investment Amount)	÷	(Net Asset Value per Share)	=	(Number of Shares allotted)

(*notional Value used for illustrative purposes only)

Class C and K1 Shares

Assuming an Initial Charge of 1.0%, the number of Shares allotted for a gross investment amount of $1,000.00 is calculated as follows:

$1,000.00	-	$10.00	=	$990.00
(Gross Investment Sum)	-	(Initial Charge)	=	(Net Investment Amount)
$990.00	÷	$10.0000*	=	99 Shares
(Net Investment Amount)	÷	(Net Asset Value per Share)	=	(Number of Shares allotted)

(*notional Value used for illustrative purposes only)

Class F, V, Y and Y1 Shares

$1,000.00	-	0[#]	=	$1,000.00
(Gross Investment Sum)	-	(Initial Charge)	=	(Net Investment Amount)
$1,000.00	÷	$10.0000*	=	100 Shares
(Net Investment Amount)	÷	(Net Asset Value per Share)	=	(Number of Shares allotted)

(*notional Value used for illustrative purposes only)

([#]no Initial Charge for Class F, V, Y and Y1 Shares)

Class I Shares

$5,000,000.00	-	0[#]	=	$5,000,000.00
(Gross Investment Sum)	-	(Initial Charge)	=	(Net Investment Amount)
$5,000,000.00	÷	$10.0000*	=	500,000 Shares
(Net Investment Amount)	÷	(Net Asset Value per Share)	=	(Number of Shares allotted)

(*notional Value used for illustrative purposes only)

([#]no Initial Charge for Class I Shares)

Class X Shares

EUR 25,000,000.00	-	0[#]	=	EUR 25,000,000.00
(Gross Investment Sum)	-	(Initial Charge)	=	(Net Investment Amount)
EUR 25,000,000.00	÷	EUR 10.0000*	=	2,500,000 Shares
(Net Investment Amount)	÷	(Net Asset Value per Share)	=	(Number of Shares allotted)

(*notional Value used for illustrative purposes only)

([#]no Initial Charge for Class X Shares)

Class IZ and Z Shares

$100,000,000.00	-	0[#]	=	$100,000,000.00
(Gross Investment Sum)	-	(Initial Charge)	=	(Net Investment Amount)
$100,000,000.00	÷	$10.0000*	=	10,000,000 Shares
(Net Investment Amount)	÷	(Net Asset Value per Share)	=	(Number of Shares allotted)

(*notional Value used for illustrative purposes only)

([#]no Initial Charge for Class IZ and Z Shares)

9.5 Statement of Account

A Statement of Account will normally be issued within 10 Singapore Business Days of the allotment of Shares or such longer period as may be determined by the Directors.

10. REDEMPTION OF SHARES

10.1 Redemption Procedure

Shareholders may redeem Shares of the Sub-Funds on any Dealing Day.

Instructions for redemption of Shares should be made on a share redemption form, and sending it, together with such documents as may be required by the Transfer Agent, to the relevant distributor in Singapore through whom the Shares were originally purchased.

If the aggregate value of switch or redemption instructions on any one Dealing Day is more than 10% of the total value of the Shares in issue of any Sub-Fund on a Dealing Day, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day. Further details are set out under the heading “Suspensions or Deferrals” in the Luxembourg Prospectus.

For the avoidance of doubt, as at the date of registration of this Singapore Prospectus, there is no applicable minimum redemption amount for a Sub-Fund.

However, you should note the minimum holding amounts applicable for each Class as set out in paragraph 9.2 above.

Full details of the redemption procedure in respect of Shares in the Sub-Funds are set out under the heading "Redemption and Switching of Shares" in the Luxembourg Prospectus.

10.2 Dealing Deadline and Pricing Basis

Shares are priced on a forward basis, as more fully described below. The applicable Net Asset Value per Share is determined after the Dealing Cut Off Time (as set out in paragraph 9.3 above). No redemption charge is imposed for Class A, AX, A1, C, F, I, IZ, K1, V, X, Y, Y1 and Z Shares, but CDSC may be payable where Class V Shares are redeemed within 3 years of the end-date of the offer period.

Shareholders in Singapore may place instructions to redeem Shares of any Share Class up to the Singapore Cut Off Time (as set out in paragraph 9.1 above) on any Singapore Business Day. The relevant distributor shall collect all orders received on or prior to the Singapore Cut Off Time and will forward such orders to the Singapore Representative for processing with the Transfer Agent. **You should note that the redemption of Shares via the distributors in Singapore will be subject to the relevant distributors being open for business, and also to the redemption procedure of the distributors. Distributors may impose an earlier dealing cut-off time than that specified in this Singapore Prospectus. You should therefore check with the relevant distributor for further details.**

Redemption instructions received by the duly appointed distributors on or before the Singapore Cut Off Time on a Singapore Business Day will, if accepted by the Transfer Agent on or before the Dealing Cut Off Time of the relevant Dealing Day, be processed on the same Dealing Day and dealt with at the redemption price based on the Net Asset Value per Share of the same Dealing Day (less any applicable Redemption Charge (if any)). Redemption instructions received by the distributors after the Singapore Cut Off Time on a Singapore Business Day or at any time on a day which is not a Singapore Business Day shall be deemed as having been received by the distributors before the Singapore Cut Off Time on the next Singapore Business Day.

10.3 Numerical example of calculation of redemption proceeds in respect of 1000 Shares

<u>Class A, AX, A1, C, F, I, IZ, K1, X, Y, Y1 and Z Shares</u>

Example 1 – Assuming Net Asset Value per Share at $11.0000 at point of realisation

1,000	X	$11.0000*	=	$11,000.00
(No. of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

(*notional price used for illustrative purposes only - no Redemption Charge is imposed)

<u>Class V Shares</u>

Example 2 – Assuming Net Asset Value per Share at $11.0000 at point of realisation, and the point of realisation is within the 1st year since the end of the offer period for the relevant Class V Shares

1,000 (No. of Shares)	X	$11.0000* (Net Asset Value per Share)	=	$11,000.00 (Gross Redemption Proceeds)
$11,000.00 (Gross Redemption Proceeds)	-	3% (CDSC)	=	$10,670 (Net Redemption Proceeds)

CDSC shall be payable on such Shares and will be deducted from the redemption proceeds at the applicable rates set out in paragraph 6 of the Prospectus.

(*notional price used for illustrative purposes only - no Redemption Charge is imposed)

10.4 Payment of Redemption Proceeds

Redemption proceeds are generally paid to Shareholders in Singapore within 6 Business Days[22] following the receipt of the redemption instructions by the Transfer Agent acting on behalf of the Fund. Directors reserve the right to extend the period, up to a maximum of 30 calendar days, in the circumstances set out under the "Redemption and Switching of Shares" and "Suspensions or Deferrals" in the Luxembourg Prospectus. Non-Dealing Days within the settlement period are excluded from the calculation and where banks are not open in the currency of settlement, then settlement will be on the next Business Day on which they are open

Redemption proceeds will normally be paid in the currency of the relevant Share Class. At the request of the Shareholder, the Transfer Agent may provide a currency exchange service, the cost of which (including any applicable charges retained by the Management Company) will be borne by the Investor. This service may not be available for certain Sub-Funds, in which case proceeds will be paid in the Share Class currency.

Redemption proceeds will be paid as follows:

- for Shares purchase with cash: by cheque or such other means as determined by the Singapore Representative
- for Shares purchased with SRS monies: to the relevant SRS operator bank for credit to the investor's SRS account (or otherwise in accordance with applicable laws if the account has been terminated);
- for Shares purchased with CPF monies: to the relevant CPFIS agent bank for credit to the investor's CPF investment account (or otherwise in accordance with applicable regulations if the account has been terminated)

Further details of the redemption of Shares are set out under the heading "Redemption and Switching of Shares" in the Luxembourg Prospectus.

10.5 Rights on a winding-up

If and when the net assets of a Share Class fall below the amount of EUR 10,000,000, or all Share Classes in a Sub-Fund fall below EUR 50,000,000 or its equivalent in another currency, or such other amounts as may be determined by the Directors from time to time to be the minimum level for assets of such Share Class or Fund to be operated in an economically efficient manner or if any economic or political situation would constitute a compelling reason

[22] Provided that such Business Days are also Singapore Business Days. If such Business Days are not also Singapore Business Days, the period within which the redemption proceeds will normally be paid shall be extended accordingly.

therefore, or if required in the interest of the Shareholders of the relevant Share Class or Sub-Fund, the Directors may decide to redeem all the Shares of that Share Class or Sub-Fund. In any such event Shareholders will be notified by redemption notice published (or notified as the case may be) by the Fund in accordance with applicable Luxembourg laws and regulations prior to compulsory redemption, and will be paid the Net Asset Value of the Shares of the relevant Share Class held as at the redemption date.

Please refer to section headed "Rights on a winding-up" in the Luxembourg Prospectus for more details.

The Directors may also decide to compulsorily redeem or convert any holding with the value of less than the minimum holding amount as set out in paragraph 9.2 above or where the Shareholder does not meet the eligibility criteria in respect of a particular Share Class.

The Directors may also exercise the right to compulsorily redeem Shares in the circumstances set out under the heading "Details of Shares" in the Luxembourg Prospectus.

11. SWITCHING BETWEEN FUNDS AND/OR SUB-FUNDS

Subject to the restrictions below in relation to Class F Shares, Class V Shares, and Shares purchased with SRS monies, a Shareholder may switch his Shares in a particular Share Class of a Sub-Fund into Shares of another Share Class, either within the same Sub-Fund, a different Sub-Fund, or into shares of any other Schroder fund which is authorised or recognised under section 286 and 287 of the SFA respectively, subject to the payment of any applicable switching charge (as set out in paragraph 6 above). Switching forms should be submitted using the same procedures applicable to the submission of redemption forms.

Shareholders of Class F Shares will be permitted to switch into Class F Shares of a different Sub-Fund, or into shares of any other Schroder fund which is authorised or recognised under section 286 and 287 of the SFA respectively, provided that such share class intended to be switched into is available for subscription using CPF monies. Shareholders should check with the relevant distributors on the availability of using CPF monies for the subscription of such share class intended to be switched into.

Shareholders of Class V Shares will not be permitted to switch into other Share Classes, nor will they be permitted to transfer Class V Shares from one distributor to another. However, holdings in Class V Shares will be converted automatically into Class A Shares or Class AX Shares (as appropriate) of the same Sub-Fund free of charge on the scheduled conversion date (to be fixed by the Management Company) at the end of the third year from the end-date of the offer period, on the basis of the respective Net Asset Value per Share of the relevant Class V Shares and Class A Shares or Class AX Shares (as applicable). Investors in other Share Classes will not be permitted to switch the holding of such Shares into Class V Shares. Only switches of Class V Shares into the same type of Class V Shares within the same Sub-Fund are allowed.

Shareholders of Shares purchased with SRS monies will be permitted to switch into Shares of a different Sub-Fund, or into shares of any other Schroder fund which is authorised or recognised under section 286 and 287 of the SFA respectively, provided that such share class intended to be switched into is available for subscription using SRS monies. Shareholders should check with the relevant distributors on the availability of using SRS monies for the subscription of such share class intended to be switched into.

Instructions to switch Shares between Share Classes denominated in different currencies will be accepted. A currency exchange service for such switches is provided by the Transfer Agent

acting on behalf of the Fund. Details of the charge applied to foreign exchange transactions, which is retained by the Management Company, are available upon request from the Management Company acting on behalf of the Fund. The cost of currency conversion and other related expenses will be borne by the relevant Investor. This currency exchange service will not be available for certain Sub-Funds, as indicated in Appendix III of the Luxembourg Prospectus.

Further details on the switching of Shares and the switching procedure are set out under the headings “Redemption and Switching of Shares” and “Restrictions on Subscriptions and Switches into Certain Funds or Share Classes” in the Luxembourg Prospectus.

12. NO RIGHT OF CANCELLATION OF SUBSCRIPTIONS

You should note that no cancellation period is available, and you will not be allowed to cancel your subscription for Shares of any Share Class of the Sub-Funds.

13. OBTAINING PRICE INFORMATION

The Net Asset Value of the Shares of all the relevant Sub-Funds is published at the Singapore Representative’s website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

14. SUSPENSIONS OR DEFERRALS

The Fund may suspend or defer the calculation of the Net Asset Value per Share of any Share Class in any Sub-Fund and the issue and redemption of any Shares in such Sub-Fund, as well as the right to switch Shares of any Share Class in any Sub-Fund into Shares of a different Share Class of the same Sub-Fund or any other Sub-Fund:

(1) during any period when any of the principal stock exchanges or any other Regulated Market on which any substantial portion of the Fund's investments of the relevant Sub-Fund for the time being are quoted, is closed, or during which dealings are restricted or suspended; or

(2) during any period when the determination of the net asset value per share of and/or the redemptions in the underlying Investment Funds representing a material part of the assets of the relevant Sub-Fund is suspended; or

(3) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the relevant Sub-Fund by the Fund is impracticable; or

(4) during any breakdown in the means of communication normally employed in determining the price or value of any of the Fund's investments or the current prices or values on any market or stock exchange; or

(5) if for any reason the prices of any investment owned by a Sub-Fund cannot be reasonably, promptly or accurately determined; or

(6) during any period when the Fund is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Directors be effected at normal rates of exchange; or

(7) if the Fund or a Sub-Fund is being or may be wound-up on or following the date on which notice is given of the meeting of Shareholders at which a resolution to wind up the Fund or the Sub-Fund is proposed; or

(8) if the Directors have determined that there has been a material change in the valuations of a substantial proportion of the investments of the Fund attributable to a particular Sub-Fund in the preparation or use of a valuation or the carrying out of a later or subsequent valuation; or

(9) during any other circumstance or circumstances where a failure to do so might result in the Fund or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or any other detriment which the Fund or its Shareholders might so otherwise have suffered; or

(10) during any period where circumstances exist that would justify the suspension for the protection of shareholders in accordance with the law.

Shareholders will be informed of any suspension or deferral as appropriate.

Further details on the suspension and deferral are set out under the heading "Suspensions or Deferrals" in the Luxembourg Prospectus.

15. PERFORMANCE OF THE SUB-FUNDS

Please refer to Annexure III to this Singapore Prospectus for the Sub-Funds' performance figures, expense and turnover ratios. Past performance is not necessarily indicative of the future performance of the Sub-Funds.

16. SOFT COMMISSIONS

Each Investment Manager and Sub-Investment Manager may enter into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the Investment Manager or Sub-Investment Manager (as the case may be), including the relevant Sub-Fund, and where the Investment Manager or the Sub-Investment Manager (as the case may be) is satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the relevant Sub-Fund. Any such arrangements must be made by the Investment Manager or the Sub-Investment Manager on terms commensurate with best market practice.

17. CONFLICT OF INTEREST

The Investment Managers, the Sub-Investment Managers, the Investment Advisers and the Singapore Representative may effect transactions, including techniques and instruments such as securities lending, repurchase agreements and reverse repurchase agreements, in which the Investment Managers, the Sub-Investment Managers, the Investment Advisers or the Singapore Representative have, directly or indirectly, an interest which may involve a potential conflict with the Investment Managers', the Sub-Investment Managers', the Investment Advisers' or the Singapore Representative's duty to the Fund or relevant Sub-Fund. Neither the Investment Managers, the Sub-Investment Managers, the Investment Advisers nor the Singapore Representative shall be liable to account to the Fund or any Sub-Fund for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Managers', the Sub-Investment Managers', the Investment Advisers' or the Singapore Representative's fees, unless otherwise provided, be abated. The Investment Managers, the Sub-Investment Managers, the Investment Advisers and the Singapore Representative (as the case may be) will ensure that such transactions are effected

on terms which are not less favourable to the Fund or relevant Sub-Fund than if the potential conflict had not existed. Such potential conflicting interests or duties may arise because the Investment Managers, the Sub-Investment Managers, the Investment Advisers or the Singapore Representative may have invested directly or indirectly in the Fund or because the Singapore Representative may, in its capacity as manager for other collective investment schemes in Singapore, invest into any one or more of the Sub-Funds.

The Investment Managers and the Sub-Investment Managers may also have to deal with competing or conflicting interests between any of the Sub-Funds which may be managed by the same Investment Manager or Sub-Investment Manager. In such instance, the Investment Manager or the Sub-Investment Manager (as the case may be) will use reasonable endeavours at all times to act fairly and in the interests of the relevant Sub-Funds, taking into account the availability of cash and relevant investment guidelines of the Sub-Funds and ensuring that the securities bought and sold are allocated proportionally as far as possible among the Sub-Funds.

18. REPORTS TO HOLDERS

The Fund's financial year ends on 31 December each year.

The Fund's audited annual report and unaudited half-yearly report will be made available within 4 months of each financial year-end (or such other period as may be permitted by the Authority) and within 2 months of the end of each half-yearly accounting period, respectively. Printed copies of the audited and unaudited annual report are not sent to you. However, if you would like to receive printed copies of these reports, you may request for them from the Singapore Representative.

The Fund's audited annual report and unaudited half-yearly report and the Articles are also available for inspection during normal business hours, at the registered office of the Fund and from the Singapore Representative.

19. TAX CONSIDERATIONS

You should be aware that you may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or other kind of tax on distributions or deemed distributions of the Sub-Funds, capital gains within the Sub-Funds, whether or not realised, income received or accrued or deemed received within the Sub-Funds. **Please note that the information provided herein is not exhaustive and does not constitute tax or legal advice. If you are in doubt of your tax position, you should consult your own independent tax advisors.**

19.1 Certain Singapore Tax Considerations

The following discussion is a summary of the material Singapore income tax consequences of the purchase, ownership and disposal of Shares of the Share Classes to a holder of such Shares who is a tax resident in Singapore. This discussion does not purport to be a comprehensive description of all of the Singapore tax considerations that may be relevant to a decision to purchase, own or dispose of Shares of the Share Classes and does not purport to deal with the Singapore tax consequences applicable to all categories of investors, some of which (such as dealers in securities) may be subject to special rules. You should consult your own tax advisers as to the Singapore or other tax consequences of the purchase, ownership or disposal of Shares of the Share Classes including, in particular, the effect of any foreign, state or local tax laws to which you are subject. You should inform yourself of, and where appropriate take advice on, the taxes applicable to your acquisition, holding and redemption of Shares of the Share Classes under the laws of the places of your citizenship, residence and domicile.

Under present Singapore tax law and practice as at the date of registration of this Singapore Prospectus:-

(i) The Fund is not expected to be subject to Singapore tax in respect of any of its authorised activities, on the assumption that:

(a) the Fund has no permanent establishment in Singapore, does not carry on any business in Singapore, and does not derive any Singapore-sourced income; and

(b) in relation to the Sub-Funds where Schroder Investment Management (Singapore) Ltd has discretionary authority over the assets or investments of such Sub-Funds, reliance is made on the tax exemption scheme under Section 13D of the Income Tax Act 1947 (the "**ITA**") of Singapore and the Income Tax (Exemption Of Income Of Prescribed Persons Arising From Funds Managed By Fund Manager In Singapore) Regulations 2010.

In this regard, a "non-qualifying" shareholder (discussed below) may be required to pay a "financial penalty" (computed based on the percentage of the total value of the issued securities of the fund beneficially owned by the non-qualifying shareholder as of the last day of the financial year of the fund, multiplied by the income of the fund as reflected in its audited accounts for that financial year) to the Inland Revenue Authority of Singapore (the "**IRAS**") and fulfil certain Singapore tax reporting requirements. Very generally, "non-qualifying" shareholders may include, but are not limited to, non-individual shareholders who are resident in Singapore, carry on a business in Singapore or have a permanent establishment in Singapore and who, either alone or with their associates, beneficially own fund shares representing in excess of 50% of the total value of issued securities of the fund (or in excess of 30% of the total value of issued securities of the fund, to the extent the fund has less than 10 beneficial shareholders) as of the last day of the financial year of the fund. A "non-qualifying shareholder" who is required to pay the above "financial penalty" to the IRAS must declare the amount of such "financial penalty" payable in its income tax return submitted to the IRAS;

(ii) Individuals resident in Singapore are exempt from Singapore tax on dividends or income distributions received from the Sub-Funds* (assuming that the dividends and income distributions are not derived through a partnership in Singapore and not treated as Singapore-sourced for the investor). Dividends or income distributions from the Sub-Funds may be treated as Singapore-sourced income in the hands of an individual investor where the dividends or income distributions constitute gains or profits from a trade or business carried on by the investor in Singapore;

(iii) Corporates or other entities resident in Singapore will be taxed on the dividends or income distributions received from the Sub-Funds at the applicable corporate tax rates. The point of taxation may be on receipt in Singapore (for entities receiving the dividends or income distributions as passive income) or upon such income being derived (for entities receiving the dividends or income distributions as income from a trade or business carried on in Singapore). There are certain exemptions available to Singapore-resident entities on foreign-sourced dividends received by them, subject to certain conditions being met; and

(iv) Singapore currently does not impose tax on capital gains except in the situation described in the paragraph immediately below. However, there are no specific laws or regulations which deal with the characterisation of gains. In general, gains from the

disposal of the Shares may be construed to be of an income nature and subject to Singapore income tax if they arise from activities which the IRAS regards as the carrying on of a trade or business in Singapore. Tax exemption may be available on any gains or profits derived by a divesting company from the disposal of ordinary shares in another company where (i) such divesting company had held the legal and beneficial ownership of at least 20% of the ordinary shares in that company for a period of at least 24 months prior to the disposal and (ii) such disposal is made during the period from 1 June 2012 to 31 December 2027, subject to certain conditions.

In respect of investment in any movable or immovable property situated outside Singapore (collectively referred to as "**foreign assets**" in this paragraph 19.1(iv)), Singapore has introduced new rules under Section 10L of the ITA. Section 10L of the ITA provides that gains from the sale or disposal of foreign assets that are received in Singapore by an entity of a relevant group[23] that does not have economic substance in Singapore will be treated as income chargeable to Singapore income tax, subject to certain exceptions. Section 10L of the ITA applies to gains from the sale or disposal of foreign assets that occurs on or after 1 January 2024. Where an entity outsources some or all of its economic activities to another party, the economic substance requirement may be satisfied taking into account the resources of the outsourced entity in Singapore where certain conditions are met.

In addition, investors who apply, or who are required to apply, the Singapore Financial Reporting Standard ("**FRS**") 39 - Financial Instruments : Recognition and Measurement, FRS 109 – Financial Instruments or Singapore Financial Reporting Standard (International) 9 ("**SFRS(I) 9**") for the purposes of Singapore income tax may be required to recognise gains or losses (not being gains or losses in the nature of capital) in accordance with the provisions of FRS 39, FRS 109 or SFRS(I) 9 (as modified by the applicable provisions of Singapore income tax law) even though no sale or disposal of Shares of the Share Classes is made.

* *This follows from the provisions of Singapore income tax law under which individuals resident in Singapore are exempt from Singapore tax on all foreign-source income received in Singapore, other than income received through a partnership in Singapore, on or after 1 January 2004. Such exemption extends only to individuals and not to corporates or other persons or entities.*

19.2 Other Tax Considerations

Please refer to the section headed "Taxation" in the Luxembourg Prospectus for a summary of other tax considerations in relation to the Fund and the Sub-Funds.

20. QUERIES AND COMPLAINTS

You may contact the Singapore Representative at (65) 6534 4288 to raise any queries or complaints regarding the Fund or any Sub-Fund.

[23] An entity of a relevant group is a member of a multinational group whose assets, liabilities, income, expenses and cash flows are included in consolidated financial statements of the parent entity of the group prepared in accordance with generally accepted accounting standards (GAAP). Entities excluded from the consolidated financial statements of the parent entity solely on size, or materiality grounds or on the grounds that the entity(s) is held for sale would still be considered as relevant entity for this purpose. A group is a relevant group if the entities of the group are not all incorporated, registered or established in a single jurisdiction; or any entity of the group has a place of business in more than one jurisdiction.

21. OTHER MATERIAL INFORMATION

21.1 General provisions

You should also read the relevant provisions on transfers, rights on winding-up, pooling and co-management of assets as set out in the Luxembourg Prospectus.

21.2 MSCI disclaimer (Source: MSCI)

The information obtained from MSCI and other data providers, included in this Singapore Prospectus, may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used to create any financial instruments or products or any indices. The MSCI information and that of other data providers is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling or creating any MSCI information (collectively, the "**MSCI Parties**") and other data providers, expressly disclaim all warranties (including, without limitation any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party or other data provider have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages.

21.3 Treatment of personal data

If you are an individual investor, each time you voluntarily provide your personal data in order to carry out a transaction in relation to the Fund or any Sub-Fund, you are deemed to have consented to the following:

- that the Management Company and its related corporations from time to time (the "**Schroder Group**") shall collect, store and maintain the personal data and other information relating to you as received (whether in writing, electronically or otherwise) as part of the records of the Fund or the relevant Sub-Fund maintained by the Schroder Group;
- that such personal data collected, stored and maintained shall be used for the purposes of account maintenance and transaction purposes from time to time including but not limited to the processing of such personal data for record keeping purposes, compliance and regulatory (including complying with any anti-money laundering regulations) purposes, legal purposes, audit purposes, tax (including tax reporting) purposes and for the purpose of providing you with regular statements of account and other notices;
- that such personal data collected, stored and maintained shall be provided to and processed by third parties for the above purposes from time to time including but not limited to the Transfer Agent, registrar of the Fund, the agents and service providers employed by the Schroder Group, the distributors, banks (including CPFIS agent banks and SRS operator banks where applicable), insurers, fund managers, and other intermediaries of the Schroder Group, and the professional advisers to the Schroder Group of companies for the above purposes;
- that such personal data collected, stored and maintained shall be provided to any and all applicable regulatory authorities (including the Inland Revenue Authority of Singapore, the CPF Board and the Authority) upon request or as may be required by applicable law or regulation from time to time; and

- that such personal data shall be stored, maintained, used, processed, transferred or held in Singapore or outside Singapore, as the Schroder Group shall consider appropriate for the above purposes.

21.4 Securities Lending

The Fund will, for the time being, not engage in securities lending transactions, repurchase or reverse repurchase transactions. Should the Fund decide to use such techniques in the future, the Fund will update this Singapore Prospectus accordingly. Further details on the repurchase and reverse repurchase agreements that the Fund may enter into are set out under the heading "Reverse repurchase and repurchase agreements" in the Luxembourg Prospectus.

Notwithstanding anything in this Singapore Prospectus, in accordance with the SF(CMP)R and the MAS Notices and subject to the extent allowed by the Authority, as long as Shares of a Sub-Fund are classified as prescribed capital markets products and EIPs, the EIP Sub-Fund does not and will not invest in any product, or engage in any transaction, which will cause its Shares not to be regarded as prescribed capital markets products or EIPs. You should refer to the MAS Notices for further details.

21.5 Liquidity Risk Management of the Sub-Funds

The Management Company has established, implemented and consistently applies a liquidity risk management framework which sets out the governance standards and requirements for the oversight of liquidity risk in relation to investment funds. The framework outlines the responsibilities for assessing, monitoring, and providing independent oversight of liquidity risks of the Sub-Funds. It also enables the Management Company to monitor the liquidity risks of the Sub-Funds and to ensure compliance with the internal liquidity parameters so that the Sub-Funds can normally meet their obligation from Share redemptions at the request of Shareholders.

Qualitative and quantitative assessments of liquidity risks at a portfolio and security level are performed to ensure that investment portfolios are appropriately liquid and that the portfolios of the Sub-Funds are sufficiently liquid to honour Shareholders' redemption requests. In addition, Shareholder concentrations are regularly reviewed to assess their potential impact on anticipated financial obligations of the Sub-Funds.

Sub-Funds are reviewed individually with respect to liquidity risks.

The Management Company's assessment of liquidity risks within Sub-Funds includes (but is not limited to) consideration of the investment strategy, the dealing frequency, the underlying assets' liquidity (and their valuation) and shareholder base.

A detailed description of the liquidity risks are further described in Appendix II of the Luxembourg Prospectus.

At least two appropriate liquidity management tools have been selected for each Sub-Fund, taking into account its investment strategy, its liquidity profile and its redemption policy. In this context, the following liquidity management tools have been selected as the main liquidity management tools:

- swing pricing (as further detailed in sections "Dilution" and "Dilution Adjustment" of the Luxembourg Prospectus) for all the Sub-Funds.
- redemption gates as further described in section "Suspensions or Deferrals" of the Luxembourg Prospectus for all the Sub-Funds.

In accordance with applicable laws and regulations, the Fund also has the possibility to implement the following liquidity management tools, which are available for all Sub-Funds, in exceptional circumstances and where justified having regard to the interests of the Shareholders of the concerned Sub-Fund:

- temporary suspension of subscriptions and redemptions as further detailed in section "Suspensions or Deferrals" of the Luxembourg Prospectus;
- temporary activation of side pockets.

(A) The Fund may decide to activate liquidity management tools in normal or stressed market conditions, as it considers appropriate, taking into account the best interests of the Shareholders of the Sub-Funds.

(B) Together with the Management Company, the Directors have established internal policies and procedures detailing the activation, deactivation and calibration of any selected liquidity management tool and the operational and administrative arrangements for the use of such tool.

Please refer to paragraphs 8.1, 10.1, 10.4 and 14 of this Singapore Prospectus and the sections headed "Dilution", "Dilution Adjustment", "Liquidity Risk Management Framework" and "Suspensions or Deferrals" in the Luxembourg Prospectus for information on the liquidity management tools that may be employed. If the liquidity risk management tools are employed, Shareholders may not be able to redeem their Shares during any suspension period, the realisation of their Shares or the payment of the redemption proceeds for their Shares may be delayed and/or a dilution adjustment may be made to the Net Asset Value per Share which may affect the amount of the redemption proceeds for their Shares.

21.6 Insolvency of the parties

In the event of the insolvency of the Management Company, any Investment Manager (including any Sub-Investment Manager to whom the investment management of any portion of the relevant Sub-Fund has been delegated by the relevant Investment Manager) or the Depositary, the appointment of such party will be terminated and a replacement or a successor entity will be appointed in its place, as contractually agreed by such parties and in accordance with applicable laws and regulations.

In the event of the Fund becoming insolvent, the Fund will be liquidated in accordance with applicable laws and its Articles.

In the event of the Investment Adviser becoming insolvent, the appointment of the Investment Adviser will be terminated, as contractually agreed and in accordance with applicable laws and regulations.

21.7 Best execution policy

The Singapore Representative observes a best execution policy. More information about this policy may be obtained on the Singapore Representative's website.

ANNEXURE I – FURTHER RISK FACTORS

1) Further Risk Factors applicable to all Sub-Funds

RISK FACTOR	DESCRIPTION
Market Risk in the relevant markets in which the Sub-Fund invests	The value of investments by the Sub-Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.
Liquidity risk	The liquidity of the Sub-Fund may be limited if a significant portion of the assets of the Sub-Fund is to be sold to meet redemption requests in a short time frame. During this period, the portfolio allocation may be modified to prioritise liquidity. In difficult market conditions, the Sub-Fund may not be able to sell a security for full value or at all. This could affect performance and could cause the Sub-Fund to defer or suspend redemptions of its Shares.
Operational risk	The Sub-Fund's operations (including investment management, distribution and collateral management) are carried out by several service providers. The Fund and/or the Management Company follow a due diligence process in selecting service providers; nevertheless operational risk can occur and have a negative effect on the Fund's operations, and it can manifest itself in various ways, including business interruption, poor performance, information systems malfunctions or failures, regulatory or contractual breaches, human error, negligent execution, employee misconduct, fraud or other criminal acts. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of Shares) or other disruptions.
Derivatives risk	The Sub-Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk. The Sub-Fund's ability to use such instruments successfully depends on the Investment Manager's (or where applicable, the Sub-Investment Manager's) ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Investment Manager or the Sub-Investment Manager's predictions are wrong, or if the derivatives do not work as anticipated, the Sub-Fund could suffer greater losses than if the Sub-Fund had not used such instruments. Each of the SISF Asian Dividend Maximiser, the SISF European Dividend Maximiser and the SISF Global Dividend Maximiser makes use of derivatives in a way that is fundamental to its investment objective. It is expected that the strategy will typically underperform a similar portfolio with no derivatives overlay in periods when the underlying stock prices are rising, and outperform when the underlying stock prices are falling.

Counterparty risk	The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Sub-Fund, potentially creating a partial or total loss for the Sub-Fund.
Currency risk	The Sub-Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.
Benchmark regulation	The London Interbank Offered Rate and other indices which are deemed "benchmarks" have been the subject of international and other regulatory guidance as well as proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any investments linked to a benchmark.
Hedged share class risk	The aim of a hedged Share Class is to provide an Investor with the performance returns of the Sub-Fund's investments by reducing the effects of exchange rate fluctuations between the Fund Currency and the Reference Currency. As a result the performance of hedged Share Classes aims to be similar to the performance of equivalent Share Classes in Fund Currency. The hedged Share Class will not remove the interest rate differences between the Fund Currency and Reference Currency as the pricing of the hedging transactions will, at least in part, reflect those interest rate differences. There is no assurance that the hedging strategies employed will be effective in fully eliminating the currency exposure to the Reference Currency thereby delivering performance differentials that are reflective only of interest rate differences adjusted for fees.
Sustainability risk	The Investment Manager takes sustainability risks into account in the management of each Sub-Fund. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment and the returns of the Sub-Fund. There is also the risk that new regulations, taxes or industry standards to protect or encourage sustainable businesses and practices may be introduced – such changes may negatively impact issuers that are poorly placed to adapt to new requirements. The regulatory framework applying to sustainable products and sustainable investing is rapidly evolving. As such, the sustainable investing characteristics of a particular Sub-Fund and how they are described for investors may be subject to change over time in order to comply with new requirements or applicable regulatory guidance.

2) Further Risk Factor applicable to all Sub-Funds with Distribution Share Classes

RISK FACTOR	DESCRIPTION
Distribution policy risk	In respect of a Distribution Share Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount. Where dividends are paid out of capital of a Distribution Share Class, this will reduce the net asset value of the Distribution Share Class.

3) Further risk factors applicable to the Sub-Funds listed below:

SUB-FUND NAME/RISK FACTOR NUMBER*	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
SISF EURO Equity				✓	✓											
SISF Japanese Equity				✓	✓											
SISF Dynamic Income	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓				
SISF All China Equity	✓				✓	✓						✓				✓
SISF Asian Opportunities	✓			✓		✓						✓				✓
SISF Swiss Equity				✓	✓											
SISF UK Equity[24]				✓	✓											
SISF Global Equity	✓			✓	✓	✓										
SISF US Large Cap				✓	✓											
SISF Asian Dividend Maximiser	✓				✓	✓						✓				

[24] With effect from 7 December 2026, the Sub-Fund's name will change to SISF European Core Equity.

SUB-FUND NAME/RISK FACTOR NUMBER*	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
SISF Asian Equity Yield	✓			✓	✓	✓						✓				✓
SISF Sustainable Asian Equity	✓			✓	✓	✓						✓				
SISF BIC (Brazil, India, China)	✓			✓	✓	✓						✓				
SISF China A All Cap	✓				✓	✓						✓				✓
SISF Emerging Asia	✓			✓	✓	✓						✓				✓
SISF Emerging Europe	✓			✓	✓											
SISF Emerging Markets	✓			✓	✓	✓						✓				
SISF European Dividend Maximiser					✓								✓			
SISF European Smaller Companies				✓	✓											
SISF Frontier Markets Equity	✓			✓	✓											
SISF European Special Situations				✓	✓											
SISF European Sustainable Equity				✓	✓											

SUB-FUND NAME/RISK FACTOR NUMBER*	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
SISF Global Climate Change Equity	✓			✓	✓	✓										
SISF Global Emerging Market Opportunities	✓			✓	✓	✓						✓				
SISF Global Energy				✓	✓								✓			
SISF Global Dividend Maximiser					✓							✓				
SISF Global Equity Yield				✓	✓							✓				
SISF Global Gold	✓		✓		✓						✓					
SISF Global Cities	✓			✓	✓	✓										
SISF Global Innovation				✓	✓								✓			
SISF Global SISF Global Alternative Energy				✓	✓							✓	✓			
SISF Global Smaller Companies				✓	✓	✓						✓				
SISF Global Sustainable Growth	✓			✓	✓	✓							✓			
SISF Global Sustainable Value					✓							✓	✓			
SISF Greater China	✓			✓	✓	✓						✓				✓

SUB-FUND NAME/RISK FACTOR NUMBER*	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
SISF Healthcare Innovation				✓	✓								✓			
SISF Hong Kong Equity	✓			✓	✓	✓						✓	✓			✓
SISF Indian Opportunities	✓			✓	✓								✓			
SISF Japanese Opportunities				✓	✓											
SISF Japanese Smaller Companies				✓	✓											
SISF Latin American	✓			✓	✓											
SISF Robotics and Automation				✓	✓							✓	✓			
SISF US Smaller Companies Impact				✓	✓											
SISF Asian Total Return	✓			✓	✓	✓						✓		✓		✓
SISF China Opportunities	✓			✓	✓	✓						✓				✓
SISF US Small & Mid-Cap Equity				✓	✓											
SISF European Value				✓	✓											
SISF Global Sustainable Food and Water	✓			✓	✓											

SUB-FUND NAME/RISK FACTOR NUMBER*	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
SISF China A	✓			✓	✓	✓						✓				✓
SISF Global Equity Alpha	✓			✓	✓	✓							✓			
SISF QEP Global Active Value	✓			✓	✓	✓						✓				
SISF QEP Global Quality	✓			✓	✓	✓						✓				
SISF Emerging Markets Debt Total Return	✓		✓	✓		✓		✓	✓	✓	✓					
SISF EURO Short Term Bond			✓	✓				✓	✓	✓	✓					
SISF EURO Government Bond			✓	✓				✓	✓	✓	✓					
SISF Global Inflation Linked Bond			✓	✓				✓	✓	✓	✓					
SISF US Dollar Bond		✓	✓	✓				✓	✓	✓	✓					
SISF Global Bond		✓	✓	✓				✓	✓	✓	✓				✓	
SISF Asian Credit Opportunities	✓	✓	✓	✓		✓			✓	✓	✓					
SISF EURO Corporate Bond		✓	✓	✓				✓	✓	✓	✓				✓	
SISF Global Corporate Bond			✓	✓				✓	✓	✓	✓				✓	
SISF Global High Yield			✓	✓				✓	✓	✓	✓				✓	

SUB-FUND NAME/RISK FACTOR NUMBER*	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
SISF Strategic Bond		✓	✓	✓				✓	✓	✓	✓				✓	
SISF Asian Local Currency Bond	✓		✓	✓		✓	✓	✓	✓	✓	✓					✓
SISF Global Credit High Income	✓	✓	✓					✓	✓	✓	✓				✓	
SISF Asian Convertible Bond	✓		✓	✓				✓	✓	✓	✓					
SISF Global Convertible Bond			✓	✓		✓		✓	✓	✓	✓					
SISF Global Credit Income	✓	✓	✓	✓					✓	✓	✓				✓	
SISF Asian Bond Total Return	✓		✓	✓		✓	✓	✓	✓	✓	✓					✓
SISF China Local Currency Bond	✓		✓	✓		✓	✓	✓	✓	✓	✓					✓
SISF Global Multi-Asset Income	✓		✓	✓	✓	✓			✓	✓	✓					
SISF Inflation Plus	✓		✓	✓					✓	✓	✓					
SISF Global Target Return	✓			✓	✓								✓			
SISF Commodity			✓					✓			✓					
SISF US Dollar Liquidity			✓	✓	✓	✓			✓	✓	✓					

SUB-FUND NAME/RISK FACTOR NUMBER*	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
SISF Multi-Asset Growth and Income	✓			✓	✓								✓			
SISF Indian Equity	✓			✓	✓	✓						✓				
SISF QEP Emerging Markets Core	✓				✓	✓										
SISF Global Equity Income Plus	✓				✓	✓										

*** Please refer to the table below for the risk factor and the description of the risk factor.**

RISK FACTOR NUMBER	RISK FACTOR	DESCRIPTION
(1)	**Emerging and less developed markets risk**	Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.
(2)	**Asset-backed ("ABS") / mortgage-backed securities risk ("MBS")**	Mortgage or asset-backed securities may not receive the full amounts owed to them by underlying borrowers.
(3)	**Money market and deposit risk**	A failure of a deposit institution or an issuer of Money Market Investments could create losses.
(4)	**Leverage risk**	The Sub-Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.
(5)	**Equity risk**	Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.
(6)	**China country risk**	Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Sub-Fund.
(7)	**RMB Hedged currency risk**	Foreign exchange control policies and repatriation restrictions imposed by the Chinese government could affect the value of the Sub-Fund's investments and could cause the Sub-Fund to defer or

		suspend redemptions of its Shares. There can be no assurance that RMB will not be subject to devaluation.
(8)	**Negative yields risk**	When interest rates are very low or negative, the Sub-Fund's yield may be zero or negative, and you may not get back all of your investment.
(9)	**Credit risk**	A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.
(10)	**High yield bond risk**	High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.
(11)	**Interest rate risk**	A rise in interest rates generally causes bond prices to fall.
(12)	**Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk**	The Sub-Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Science, Technology and Innovation Board of the Shanghai Stock Exchange and/or the ChiNext market of the Shenzhen Stock Exchange. You should refer to the section headed "Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect" in Appendix II of the Luxembourg Prospectus for more details on these risks.
(13)	**Concentration risk**	The Sub-Fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the Sub-Fund, both up or down, which may adversely impact the performance of the Sub-Fund.
(14)	**Short selling risk**	The Sub-Fund may take positions that seek to profit if the price of a security falls. A large rise in the price of the security may cause large losses.
(15)	**Contingent convertible bonds risk**	The Sub-Fund may be significantly invested in contingent convertible bonds. If the financial strength of a bond's issuer (typically a bank or an insurance firm) falls in a prescribed way, the bond may suffer substantial or total losses of capital.
(16)	**QFI Status risk**	The Sub-Fund may invest in mainland China through QFI schemes or Regulated Markets. You should note that the Investment Manager's QFI status may be suspended or revoked and that this may adversely affect the Sub-Fund's performance by requiring the Sub-Fund to dispose of its securities holdings.

ANNEXURE II – HIGH VOLATILITY SUB-FUNDS

SISF Asian Equity Yield	SISF QEP Global Quality
SISF Sustainable Asian Equity	SISF Global Smaller Companies
SISF Emerging Asia	SISF Global Sustainable Growth
SISF Japanese Equity	SISF Global Climate Change Equity
SISF Japanese Smaller Companies	SISF Global Emerging Market Opportunities
SISF Greater China	SISF Latin American
SISF Hong Kong Equity	SISF Global Equity Alpha
SISF Indian Opportunities	SISF Global Equity
SISF Japanese Opportunities	SISF US Smaller Companies Impact
SISF Asian Opportunities	SISF Frontier Markets Equity
SISF Asian Total Return	SISF US Large Cap
SISF China Opportunities	SISF Asian Dividend Maximiser
SISF Emerging Europe	SISF European Dividend Maximiser
SISF European Value	SISF Global Dividend Maximiser
SISF Global Sustainable Food and Water	SISF Global Equity Yield
SISF China A	SISF US Small & Mid-Cap Equity
SISF European Smaller Companies	SISF Global Innovation
SISF EURO Equity	SISF Global Alternative Energy
SISF Swiss Equity	SISF Healthcare Innovation
SISF UK Equity[25]	SISF Robotics and Automation
SISF European Special Situations	SISF Commodity
SISF BIC (Brazil, India, China)	SISF All China Equity
SISF Emerging Markets	SISF China A All Cap
SISF QEP Global Core	SISF European Sustainable Equity
SISF QEP Global Active Value	SISF Global Sustainable Value
SISF Global Energy	SISF Indian Equity
SISF Global Gold	SISF QEP Emerging Markets Core
SISF Global Cities	SISF Global Equity Income Plus

[25] With effect from 7 December 2026, the Sub-Fund's name will change to SISF European Core Equity.

ANNEXURE III - PERFORMANCE OF THE SUB-FUNDS OF SCHRODER INTERNATIONAL SELECTION FUND

A. Past Performance of the Sub-Funds (as at 30 June 2026 [Note 13])

You should note that the performance returns of the Sub-Funds as shown in the tables in this section A of Annexure III may be affected by the dilution adjustments (if any) made in respect of the Sub-Funds. You should also note that (1) there is a possibility that the returns of the relevant Sub-Fund may be influenced by the level of trading activity, in addition to the Sub-Fund's investments and (2) dilution adjustments can increase the variability of the returns of the relevant Sub-Fund.

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Mainstream Equity Funds					
SISF EURO Equity					
Class A Accumulation (EUR) (Inception Date: 17/01/2000)	7.57%	12.08%	6.16%	7.15%	4.23%
Class A Distribution AV (EUR) (Inception Date: 20/11/1998)	7.58%	12.08%	6.16%	7.14%	6.13%
Class C Accumulation (EUR) (Inception Date: 17/01/2000)	13.01%	14.54%	7.90%	8.45%	5.27%
Class C Distribution AV (EUR) (Inception Date: 21/09/1998)	13.00%	14.54%	7.90%	8.45%	7.68%
MSCI European Monetary Union (Net TR) (EUR)	23.34%	16.23%	10.92%	10.51%	5.59%
Class A Accumulation (USD Hedged) (Inception Date: 18/12/2013)	9.96%	14.28%	8.41%	9.35%	8.54%
Class C Accumulation (USD Hedged) (Inception Date: 18/12/2013)	15.51%	16.84%	10.22%	10.71%	9.80%
MSCI European Monetary Union (Net TR) (USD Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Accumulation (SGD Hedged) [Note 1] (Inception Date: 04/11/2015)	6.80%	11.74%	6.62%	8.13%	6.52%
Class C Accumulation (CHF Hedged) [Note 1] (Inception Date: 03/02/2016)	10.41%	11.91%	6.19%	7.39%	6.94%
SISF Japanese Equity [Note 2]					
Class A Accumulation (JPY) (Inception Date: 17/01/2000)	29.60%	15.15%	11.91%	11.38%	3.63%
Class A Distribution AV (JPY) (Inception Date: 02/08/1993)	29.60%	15.14%	11.91%	11.38%	3.87%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class C Accumulation (JPY) (Inception Date: 17/01/2000)	35.81%	17.39%	13.46%	12.46%	4.46%
Class C Distribution AV (JPY) (Inception Date: 31/10/1995)	35.80%	17.38%	13.46%	12.46%	4.96%
Tokyo Stock Price Index Net TR (JPY)	42.76%	22.82%	17.90%	14.61%	N/A[Note 2]
Class A Accumulation (USD) (Inception Date: 17/08/2016)	15.30%	10.74%	3.64%	N/A	5.86%
Tokyo Stock Price Index Net TR (USD)	26.88%	18.11%	9.24%	N/A	8.77%
Class A Accumulation (USD Hedged) (Inception Date: 27/03/2013)	33.78%	19.64%	15.30%	13.64%	11.28%
Class C Accumulation (USD Hedged) (Inception Date: 27/03/2013)	40.28%	22.16%	17.02%	14.80%	12.30%
Tokyo Stock Price Index Net TR (USD Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF Asian Opportunities [Note 3]					
Class A Accumulation (USD) (Inception Date: 17/01/2000)	49.67%	20.07%	5.40%	10.71%	6.85%
Class A Distribution AV (USD) (Inception Date: 29/10/1993)	49.67%	20.07%	5.40%	10.72%	6.40%
Class C Accumulation (USD) (Inception Date: 17/01/2000)	57.22%	22.71%	7.13%	12.06%	7.97%
Class C Distribution AV (USD) (Inception Date: 31/10/1995)	57.22%	22.71%	7.13%	12.06%	7.79%
MSCI AC Asia ex Japan (Net TR) (USD)	45.77%	24.34%	7.34%	10.86%	N/A[Note 3]
Class A Accumulation (EUR) (Inception Date: 22/03/2006)	53.84%	18.29%	6.29%	10.43%	8.35%
Class C Accumulation (EUR) (Inception Date: 22/03/2006)	61.60%	20.89%	8.03%	11.78%	9.51%
MSCI AC Asia ex Japan (Net TR) (EUR)	49.67%	22.41%	8.12%	10.54%	N/A[Note 3]
Class A Accumulation (SGD) (Inception Date: 23/02/2007)	51.99%	18.30%	4.62%	10.28%	6.01%
Class C Accumulation (SGD) (Inception date: 11/12/2020)	59.65%	20.89%	6.33%	N/A	7.38%
MSCI AC Asia ex Japan (Net TR) (SGD)	48.04%	22.48%	6.51%	N/A	7.74%
SISF Swiss Equity					
Class A Accumulation (CHF) (Inception Date: 17/01/2000)	8.20%	5.20%	1.28%	5.99%	3.28%
Class A Distribution AV (CHF) (Inception Date: 18/12/1995)	8.20%	5.20%	1.28%	5.99%	6.42%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class C Accumulation (CHF) (Inception Date: 17/01/2000)	13.38%	7.24%	2.68%	7.02%	4.11%
Class C Distribution AV (CHF) (Inception Date: 18/12/1995)	13.38%	7.24%	2.68%	7.02%	7.21%
Swiss Performance Index (CHF)	21.05%	10.43%	5.46%	8.74%	N/A[Note 4]
SISF UK Equity[26] Note 79					
Class A Accumulation (GBP) (Inception Date: 17/01/2000)	1.09%	0.50%	-0.46%	1.29%	3.04%
Class A Distribution AV (GBP) (Inception Date: 13/04/1993)	1.09%	0.50%	-0.46%	1.30%	5.32%
Class C Accumulation (GBP) (Inception Date: 17/01/2000)	5.92%	2.45%	0.92%	2.28%	3.85%
Class C Distribution AV (GBP) (Inception Date: 31/10/1995)	5.92%	2.45%	0.92%	2.27%	5.80%
FTSE All Share Total Return Index (GBP)	21.89%	15.25%	10.92%	8.67%	7.96%
Class A Distribution SV (EUR) (Inception Date: 30/11/2020)	0.27%	0.37%	-0.56%	N/A	2.82%
FTSE All Share Total Return Index (EUR)	21.21%	15.11%	10.84%	N/A	13.38%
SISF Global Equity Note 5					
Class A Accumulation (USD) (Inception Date: 03/06/2005)	9.84%	14.62%	7.95%	11.78%	5.29%
Class C Accumulation (USD) (Inception Date: 03/06/2005)	15.55%	17.32%	9.89%	13.26%	6.26%
Class C Distribution AV (USD) (Inception Date: 03/06/2005)	15.54%	17.31%	9.89%	13.26%	6.26%
MSCI All Country (AC) World (Net TR) (USD)	23.67%	19.70%	10.98%	12.88%	6.90%
SISF US Large Cap					
Class A Accumulation (USD) (Inception Date: 17/01/2000)	4.01%	16.93%	10.15%	13.15%	5.11%
Class A Distribution AV (USD) (Inception Date: 02/08/1993)	4.01%	16.94%	10.15%	13.15%	7.60%
Class C Accumulation (USD) (Inception Date: 17/01/2000)	9.21%	19.45%	11.90%	14.42%	6.01%
Class C Distribution AV (USD) (Inception Date: 08/11/1995)	9.20%	19.45%	11.90%	14.42%	8.01%
Standard & Poors 500 (Net TR) (USD)	22.52%	20.62%	12.95%	15.08%	7.78%[Note 6]
Class A Accumulation (SGD) (Inception Date: 18/06/2025)	5.50%	N/A	N/A	N/A	8.53%

[26] With effect from 7 December 2026, the Sub-Fund's name will change to SISF European Core Equity.

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Standard & Poors 500 (Net TR) (SGD)	24.43%	N/A	N/A	N/A	26.42%
Specialist Equity Funds					
SISF Asian Dividend Maximiser [Note 7]					
Class A Accumulation (USD) (Inception Date: 18/09/2013)	31.02%	17.04%	8.11%	8.40%	6.24%
Class A Distribution MF (USD) (Inception Date: 18/09/2013)	31.01%	17.04%	8.11%	8.40%	6.24%
Class C Accumulation (USD) (Inception Date: 18/09/2013)	37.63%	19.62%	9.89%	9.73%	7.46%
MSCI AC Pacific ex Japan (Net TR) (USD)	52.27%	25.80%	8.03%	11.01%	8.08%
Class A Accumulation (EUR) (Inception Date: 18/09/2013)	34.66%	15.31%	9.02%	8.13%	7.56%
Class A Distribution MF (EUR) (Inception Date: 18/09/2013)	34.65%	15.30%	9.01%	8.07%	7.51%
MSCI AC Pacific ex Japan (Net TR) (EUR)	56.34%	23.85%	8.83%	10.69%	9.40%
Class A Distribution MF (EUR Hedged) (Inception Date: 18/09/2013)	27.70%	14.35%	5.54%	5.79%	4.15%
MSCI AC Pacific ex Japan (Net TR) (EUR Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Distribution MF (AUD) (Inception Date: 18/09/2013)	24.27%	15.65%	9.97%	9.17%	8.76%
MSCI AC Pacific ex Japan (Net TR) (AUD)	44.04%	24.14%	9.78%	11.81%	10.64%
Class A Distribution MF (SGD) (Inception Date: 18/09/2013)	33.04%	15.31%	7.30%	7.92%	6.42%
MSCI AC Pacific ex Japan (Net TR) (SGD)	54.64%	23.92%	7.20%	10.57%	8.31%
Class A Distribution MFC (AUD Hedged) (Inception Date: 19/11/2014)	29.50%	15.02%	6.12%	6.95%	5.48%
MSCI AC Pacific ex Japan (Net TR) (AUD Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Distribution MF (SGD Hedged) (Inception Date: 19/11/2014)	26.89%	14.07%	6.04%	6.89%	5.33%
MSCI AC Pacific ex Japan (Net TR) (SGD Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF Asian Equity Yield [Note 8]					
Class A Accumulation (USD) (Inception Date: 11/06/2004)	31.56%	18.22%	7.97%	8.90%	8.27%
Class A Distribution MF (USD) (Inception Date: 11/06/2004)	31.56%	18.22%	7.97%	8.90%	8.27%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class C Accumulation (USD) (Inception Date: 11/06/2004)	37.85%	20.51%	9.46%	9.95%	9.11%
Class C Distribution MF (USD) (Inception Date: 10/09/2004)	37.86%	20.52%	9.47%	9.95%	9.06%
MSCI AC Asia Pacific ex Japan (Net TR) (USD)	40.75%	22.61%	7.33%	10.72%	10.42%
Class A Distribution MFC (AUD Hedged) (Inception Date: 24/10/2018)	29.91%	16.06%	5.87%	N/A	7.78%
MSCI AC Asia Pacific ex Japan (Net TR) (AUD Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Accumulation (CHF) (Inception Date: 12/09/2012)	33.39%	14.20%	5.14%	6.87%	5.80%
Class C Accumulation (CHF) (Inception Date: 12/09/2012)	39.77%	16.41%	6.60%	7.90%	6.73%
MSCI AC Asia Pacific ex Japan (Net TR) (CHF)	42.63%	18.45%	4.44%	8.65%	6.96%
Class A Accumulation (EUR) (Inception Date: 12/09/2012)	35.22%	16.47%	8.87%	8.62%	7.90%
Class C Accumulation (EUR) (Inception Date: 12/09/2012)	41.69%	18.73%	10.38%	9.67%	8.84%
MSCI AC Asia Pacific ex Japan (Net TR) (EUR)	44.51%	20.71%	8.12%	10.40%	9.08%
Class A Distribution MF (SGD Hedged) (Inception Date: 25/08/2021)	27.40%	15.19%	N/A	N/A	6.41%
MSCI AC Asia Pacific ex Japan (Net TR) (SGD Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF Sustainable Asian Equity					
Class A Accumulation (USD) (Inception Date: 24/03/2022)	36.19%	21.48%	N/A	N/A	11.03%
Class A Distribution MF (USD) (Inception Date: 19/10/2022)	36.18%	21.60%	N/A	N/A	21.21%
Class C Accumulation (USD) (Inception Date: 13/12/2017)	43.06%	24.15%	8.10%	N/A	9.71%
MSCI AC Asia Pacific ex Japan (Net TR) (USD)	40.75%	22.61%	7.33%	N/A	8.22%
Class A Accumulation (SGD) (Inception Date: 19/01/2022)	38.29%	19.69%	N/A	N/A	7.47%
Class A Distribution MF (SGD) (Inception Date: 19/10/2022)	38.29%	19.81%	N/A	N/A	18.11%
Class F Accumulation (SGD) (Inception Date: 04/06/2020)	45.77%	21.93%	6.83%	N/A	11.66%
MSCI AC Asia Pacific ex Japan (Net TR) (SGD)	42.94%	20.77%	6.51%	N/A	10.79%
SISF BIC (Brazil, India, China) [Note 9]					

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class A Accumulation (USD) (Inception Date: 31/10/2005)	-4.17%	2.96%	-7.19%	3.92%	4.22%
MSCI BIC (Net TR) 10/40 (USD)	-4.87%	6.89%	-4.15%	4.99%	5.31%
Class A Accumulation (EUR) (Inception Date: 31/10/2005)	-1.51%	1.44%	-6.42%	3.65%	4.48%
MSCI BIC (Net TR) 10/40 (EUR)	-2.33%	5.24%	-3.45%	4.69%	5.54%
Class A Accumulation (SGD) (Inception Date: 19/09/2024)	-2.67%	N/A	N/A	N/A	2.36%
MSCI BIC (Net TR) 10/40 (SGD)	-3.39%	N/A	N/A	N/A	4.84%
SISF Emerging Asia					
Class A Accumulation (USD) (Inception Date: 09/01/2004)	43.24%	19.39%	5.30%	11.54%	9.57%
Class C Accumulation (USD) (Inception Date: 09/01/2004)	50.10%	21.72%	6.76%	12.62%	10.46%
Class Y Accumulation (USD) (Inception Date: 26/11/2025)	N/A	N/A	N/A	N/A	29.50%
MSCI Emerging Markets Asia (Net TR) (USD) Note 10	48.67%	25.25%	7.62%	11.37%	4.35%
Class A Accumulation (EUR) (Inception Date: 17/03/2006)	47.22%	17.63%	6.18%	11.26%	8.81%
Class C Accumulation (EUR) (Inception Date: 17/03/2006)	54.26%	19.91%	7.65%	12.34%	9.69%
Class Y Accumulation (EUR) (Inception Date: 26/11/2025)	N/A	N/A	N/A	N/A	31.27%
MSCI Emerging Markets Asia (Net TR) (EUR) Note 10	52.64%	23.31%	8.41%	11.06%	4.98%
Class A Accumulation (SGD Hedged) Note 11 (Inception Date: 30/09/2019)	38.60%	16.30%	3.19%	N/A	9.55%
Class Y Accumulation (SGD) (Inception Date: 26/11/2025) Note 11	Share Class has not been incepted for at least one year as at 30 June 2026 and, accordingly, a performance track record of at least one year is not available.				
Class A Accumulation (AUD Hedged) Note 11 (Inception Date: 30/09/2019)	41.20%	17.16%	3.16%	N/A	9.23%
Class A Accumulation (GBP Hedged) Note 11 (Inception Date: 30/09/2019)	42.04%	18.37%	4.09%	N/A	10.06%
SISF Emerging Europe Note 12					
Class A Accumulation (EUR) (Inception Date: 28/01/2000)	25.89%	25.17%	-3.94%	4.48%	4.64%
Class A Distribution AV (EUR) (Inception Date: 28/01/2000)	25.89%	25.18%	-3.93%	4.48%	4.66%
Class C Accumulation (EUR) (Inception Date: 28/01/2000)	31.91%	27.61%	-2.60%	5.49%	5.46%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class C Distribution AV (EUR) (Inception Date: 28/01/2000)	31.92%	27.61%	-2.60%	5.49%	5.52%
MSCI EFM Europe + CIS (E+C) Index Net (TR) index	35.00%	26.81%	-4.29%	1.89%	2.53%
SISF Emerging Markets Note 13					
Class A Accumulation (USD) (Inception Date: 17/01/2000)	51.44%	23.01%	5.87%	9.98%	5.68%
Class A Distribution AV (USD) (Inception Date: 09/03/1994)	51.44%	23.01%	5.87%	9.98%	5.65%
Class C Accumulation (USD) (Inception Date: 17/01/2000)	59.08%	25.71%	7.60%	11.29%	6.57%
Class C Distribution AV (USD) (Inception Date: 03/11/1995)	59.09%	25.71%	7.60%	11.29%	6.74%
MSCI Emerging Markets 10/40 (Net TR) (USD)	42.09%	22.62%	6.99%	9.97%	6.04%
Class A Accumulation (EUR) (Inception Date: 17/03/2006)	55.66%	21.19%	6.75%	9.70%	6.38%
Class C Accumulation (EUR) (Inception Date: 17/03/2006)	63.51%	23.85%	8.50%	11.01%	7.38%
MSCI Emerging Markets 10/40 (Net TR) (EUR)	45.89%	20.72%	7.77%	9.65%	6.04%
Class A Accumulation (SGD) (Inception Date: 18/09/2024)	53.96%	N/A	N/A	N/A	34.28%
MSCI Emerging Markets 10/40 (Net TR) (SGD)	44.30%	N/A	N/A	N/A	31.21%
SISF European Dividend Maximiser Note 14					
Class A Accumulation (EUR) (Inception Date: 05/10/2007)	10.43%	9.47%	4.65%	2.90%	1.34%
Class A Distribution QF (EUR) (Inception Date: 05/10/2007)	10.43%	9.47%	4.65%	2.90%	1.34%
MSCI Europe (Net TR) index (EUR)	21.81%	14.39%	10.30%	9.60%	5.45%
Class A Distribution MF (USD Hedged) (Inception Date: 16/04/2014)	12.79%	11.54%	6.79%	4.96%	3.66%
MSCI Europe (Net TR) index (USD Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Distribution MF (SGD Hedged) (Inception Date: 29/07/2015)	9.60%	9.10%	5.08%	3.83%	1.92%
MSCI Europe (Net TR) index (SGD Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF Dynamic Income Note 15					
Class A Accumulation (USD) (Inception Date:15/01/2024)	8.37%	N/A	N/A	N/A	7.87%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class A Distribution MF (USD) (Inception Date: 15/01/2024)	8.37%	N/A	N/A	N/A	7.87%
Class A Distribution MF2 (USD) (Inception Date: 15/05/2024)	8.36%	N/A	N/A	N/A	7.27%
Class A Distribution QV (USD) (Inception Date: 15/01/2024)	8.36%	N/A	N/A	N/A	7.87%
Class C Accumulation (USD) (Inception Date: 15/01/2024)	12.43%	N/A	N/A	N/A	9.90%
Class C Distribution MF (USD) (Inception Date: 15/01/2024)	12.43%	N/A	N/A	N/A	9.88%
Class C Distribution MF2 (USD) (Inception Date: 15/05/2024)	12.53%	N/A	N/A	N/A	9.65%
Class C Distribution QV (USD) (Inception Date: 15/01/2024)	12.42%	N/A	N/A	N/A	9.95%
Class A Accumulation (EUR Hedged) (Inception Date: 15/01/2024)	5.93%	N/A	N/A	N/A	5.70%
Class A Distribution QV (EUR Hedged) (Inception Date: 15/01/2024)	5.90%	N/A	N/A	N/A	5.68%
Class C Accumulation (EUR Hedged) (Inception Date: 15/01/2024)	9.90%	N/A	N/A	N/A	7.68%
Class C Distribution QV (EUR Hedged) (Inception Date: 15/01/2024)	9.79%	N/A	N/A	N/A	7.64%
Class A Accumulation (GBP Hedged) (Inception Date: 15/01/2024)	7.98%	N/A	N/A	N/A	7.43%
Class A Distribution MF (GBP Hedged) (Inception Date: 15/01/2024)	7.97%	N/A	N/A	N/A	7.45%
Class C Accumulation (GBP Hedged) (Inception Date: 15/01/2024)	12.02%	N/A	N/A	N/A	9.44%
Class C Distribution MF (GBP Hedged) (Inception Date: 15/01/2024)	11.99%	N/A	N/A	N/A	9.45%
Class A Accumulation (CHF Hedged) (Inception Date: 15/01/2024)	3.62%	N/A	N/A	N/A	3.28%
Class A Distribution MF (CHF Hedged) (Inception Date: 15/01/2024)	3.55%	N/A	N/A	N/A	3.28%
Class C Accumulation (CHF Hedged) (Inception Date: 15/01/2024)	7.48%	N/A	N/A	N/A	5.22%
Class C Distribution MF (CHF Hedged) (Inception Date: 15/01/2024)	7.46%	N/A	N/A	N/A	5.21%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class A Accumulation (HKD) (Inception Date: 15/01/2024)	8.25%	N/A	N/A	N/A	7.99%
Class A Distribution MF (HKD) (Inception Date: 15/01/2024)	8.26%	N/A	N/A	N/A	7.99%
Class A Distribution MF (CNH Hedged) (Inception Date: 15/01/2024)	5.43%	N/A	N/A	N/A	5.03%
Class A Accumulation (SGD Hedged) (Inception Date: 15/01/2024)	5.21%	N/A	N/A	N/A	5.32%
Class A Distribution MF (SGD Hedged) (Inception Date: 15/01/2024)	5.20%	N/A	N/A	N/A	5.32%
Class A Accumulation (AUD Hedged) (Inception Date: 15/01/2024)	7.71%	N/A	N/A	N/A	6.85%
Class A Distribution MFC (AUD Hedged) (Inception Date: 15/01/2024)	7.69%	N/A	N/A	N/A	6.81%
Class A Accumulation (JPY) (Inception Date: 15/01/2024)	21.81%	N/A	N/A	N/A	12.71%
Class A Distribution MF (JPY) (Inception Date: 15/01/2024)	21.81%	N/A	N/A	N/A	12.71%
Class C Accumulation (JPY) (Inception Date: 15/01/2024)	26.49%	N/A	N/A	N/A	15.04%
Class C Distribution MF (JPY) (Inception Date: 15/01/2024)	26.48%	N/A	N/A	N/A	15.03%
SISF European Smaller Companies Note 16					
Class A Accumulation (EUR) (Inception Date: 17/01/2000)	-0.78%	3.58%	-3.51%	2.82%	3.22%
Class A Distribution AV (EUR) (Inception Date: 07/10/1994)	-0.78%	3.58%	-3.51%	2.82%	7.15%
Class C Accumulation (EUR) (Inception Date: 17/01/2000)	4.23%	5.85%	-1.93%	4.00%	4.10%
Class C Distribution AV (EUR) (Inception Date: 31/10/1995)	4.23%	5.85%	-1.93%	4.00%	8.01%
MSCI Europe Small Cap (NDR) (EUR)	10.04%	11.47%	3.84%	8.37%	9.03%
Class A Accumulation (USD Hedged) (Inception Date: 07/05/2014)	1.41%	5.55%	-1.44%	4.94%	4.31%
MSCI Europe Small Cap (NDR) (USD Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF Frontier Markets Equity Note 17					
Class A Accumulation (USD) (Inception Date: 15/12/2010)	20.36%	20.67%	13.03%	10.25%	7.92%
Class C Accumulation (USD) (Inception Date: 15/12/2010)	26.12%	23.01%	14.60%	11.30%	8.64%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
MSCI Frontier Emerging Markets (FEM) Index (Net TR) (USD)	35.31%	22.80%	8.99%	9.18%	6.00%
Class A Accumulation (EUR) (Inception Date: 19/01/2022)	23.70%	18.88%	N/A	N/A	12.86%
Class C Accumulation (EUR) (Inception Date: 11/9/2013)	29.63%	21.19%	15.55%	11.02%	10.50%
MSCI Frontier Emerging Markets (FEM) Index (Net TR) (EUR)	38.93%	20.90%	9.79%	8.87%	8.33%
Class A Accumulation (SGD) (Inception Date: 19/01/2022)	22.23%	18.89%	N/A	N/A	11.97%
MSCI Frontier Emerging Markets (FEM) Index (Net TR) (SGD)	37.42%	20.96%	N/A	N/A	8.49%
SISF European Special Situations					
Class A Accumulation (EUR) (Inception Date: 31/03/2006)	2.11%	3.35%	-0.42%	5.32%	4.80%
Class C Accumulation (EUR) (Inception Date: 31/03/2006)	7.27%	5.63%	1.22%	6.50%	5.62%
Class C Distribution AV (EUR) (Inception Date: 31/03/2006)	7.27%	5.63%	1.21%	6.49%	5.63%
MSCI Europe (Net TR) index (EUR)	21.81%	14.39%	10.30%	9.60%	5.99%
SISF Global Climate Change Equity [Note 18]					
Class A Accumulation (SGD) (Inception Date: 10/08/2007)	20.56%	8.37%	2.31%	10.47%	5.36%
MSCI All Country World (Net TR) (SGD)	25.59%	17.91%	10.13%	12.44%	7.20%
Class A Accumulation (USD) (Inception Date: 29/06/2007)	18.72%	9.99%	3.07%	10.89%	6.05%
Class C Accumulation (USD) (Inception Date: 29/06/2007)	24.72%	12.41%	4.76%	12.18%	7.03%
MSCI All Country World (Net TR) (USD)	23.67%	19.70%	10.98%	12.88%	7.84%
Class A Accumulation (EUR) (Inception Date: 29/06/2007)	22.02%	8.37%	3.93%	10.62%	7.00%
Class C Accumulation (EUR) (Inception Date: 29/06/2007)	28.18%	10.75%	5.64%	11.90%	7.97%
MSCI All Country World (Net TR) (EUR)	26.98%	17.85%	11.80%	12.56%	8.79%
SISF Global Emerging Market Opportunities [Note 19]					
Class A Accumulation (SGD) (Inception Date: 28/02/2007)	53.33%	19.66%	5.70%	10.76%	5.67%
MSCI Emerging Markets 10/40 (Net TR) (SGD)	44.30%	20.78%	6.17%	9.53%	4.97%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class A Accumulation (USD) (Inception Date: 19/01/2007)	50.98%	21.45%	6.49%	11.19%	6.50%
Class C Accumulation (USD) (Inception Date: 19/01/2007)	58.20%	23.81%	7.96%	12.27%	7.37%
MSCI Emerging Markets 10/40 (Net TR) (USD)	42.09%	22.62%	6.99%	9.97%	5.85%
Class A Accumulation (EUR) (Inception Date: 19/01/2007)	55.18%	19.65%	7.38%	10.91%	7.18%
MSCI Emerging Markets 10/40 (Net TR) (EUR)	45.89%	20.72%	7.77%	9.65%	6.52%
SISF Global Energy					
Class A Accumulation (USD) (Inception Date: 30/06/2006)	32.03%	14.93%	17.07%	4.62%	-0.47%
Class C Accumulation (USD) (Inception Date: 30/06/2006)	38.37%	17.17%	18.69%	5.64%	0.34%
Class C Distribution AV (USD) (Inception Date: 31/07/2006)	38.33%	17.22%	18.72%	5.65%	0.25%
MSCI World SMID Energy (USD) Note 20	34.78%	19.51%	20.06%	9.84%	N/A
SISF Global Dividend Maximiser Note 21					
Class A Accumulation (SGD) (Inception Date: 12/10/2007)	13.89%	8.77%	6.03%	6.44%	2.77%
Class A Distribution QF (SGD) (Inception Date: 12/10/2007)	13.89%	8.77%	6.03%	6.44%	2.76%
MSCI World (Net TR) (SGD)	23.22%	17.46%	10.62%	12.69%	7.10%
Class A Accumulation (USD) (Inception Date: 13/07/2007)	12.15%	10.40%	6.82%	6.85%	3.19%
Class A Distribution QF (USD) (Inception Date: 13/07/2007)	12.15%	10.40%	6.82%	6.85%	3.19%
Class AX Distribution MF (USD) (Inception Date: 02/04/2014)	12.15%	10.40%	6.82%	6.85%	11.63%
Class C Accumulation (USD) (Inception Date: 13/07/2007)	17.81%	12.82%	8.57%	8.12%	4.16%
Class C Distribution QF (USD) (Inception Date: 13/07/2007)	17.81%	12.82%	8.57%	8.13%	4.17%
MSCI World (Net TR) (USD)	21.34%	19.24%	11.47%	13.14%	7.80%
Class A Distribution QF (EUR Hedged) (Inception Date: 21/09/2011)	9.31%	7.90%	4.23%	4.29%	4.80%
MSCI World (Net TR) (EUR Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Distribution MFC (AUD Hedged) (Inception Date: 16/04/2014)	11.14%	8.74%	5.01%	5.41%	4.27%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
MSCI World (Net TR) (AUD Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF Global Equity Yield					
Class A Accumulation (USD) (Inception Date: 29/07/2005)	14.74%	11.33%	7.50%	8.31%	5.62%
Class A Distribution MF (USD) (Inception Date: 29/07/2005)	14.74%	11.33%	7.50%	8.31%	5.63%
Class C Accumulation (USD) (Inception Date: 29/07/2005)	20.54%	13.78%	9.27%	9.60%	6.60%
Class C Distribution QF (USD) (Inception Date: 29/07/2005)	20.53%	13.78%	9.27%	9.60%	6.60%
MSCI World (Net TR) (USD)	21.34%	19.24%	11.47%	13.14%	8.93%
Class A Accumulation (EUR) (Inception Date: 17/03/2006)	17.93%	9.69%	8.41%	8.04%	5.94%
Class C Accumulation (EUR) (Inception Date: 17/03/2006)	23.88%	12.11%	10.19%	9.33%	6.92%
MSCI World (Net TR) (EUR)	24.58%	17.40%	12.29%	12.81%	9.25%
SISF Global Gold Note 22					
Class A Accumulation (USD) (Inception Date: 29/06/2016)	57.49%	46.72%	23.02%	12.96%	13.16%
FTSE Gold Mines UCITS capped Index (USD) Note 22	52.22%	44.53%	22.18%	12.82%	12.93%
Class A Accumulation (SGD Hedged) Note 23 (Inception Date: 29/06/2016)	51.76%	42.48%	20.22%	11.10%	11.30%
Class A Accumulation (EUR Hedged) Note 23 (Inception Date: 29/06/2016)	52.35%	42.60%	19.45%	9.78%	9.97%
SISF Global Cities					
Class A Accumulation (USD) (Inception Date: 31/10/2005)	11.66%	7.74%	-0.45%	3.31%	3.62%
Class C Accumulation (USD) (Inception Date: 31/10/2005)	17.29%	10.11%	1.18%	4.52%	4.57%
Class C Distribution AV (USD) (Inception Date: 31/10/2005)	17.29%	10.11%	1.18%	4.52%	4.56%
FTSE EPRA NAREIT Developed index (Net TR, USD) Note 24	13.26%	9.60%	1.69%	3.38%	4.12%
Class A Accumulation (EUR Hedged) (Inception Date: 31/10/2005)	9.05%	5.39%	-2.81%	0.88%	2.00%
Class C Accumulation (EUR Hedged) (Inception Date: 31/10/2005)	14.55%	7.72%	-1.22%	2.05%	2.92%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
FTSE EPRA NAREIT Developed index (Net TR, EUR Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF Global Innovation [Note 25]					
Class A Accumulation (USD) (Inception Date: 12/12/2018)	10.28%	15.76%	6.34%	N/A	14.66%
Class C Accumulation (USD) (Inception Date: 12/12/2018)	15.85%	18.30%	8.08%	N/A	16.21%
MSCI AC World (Net TR) index (USD)	23.67%	19.70%	10.98%	N/A	13.88%
Class A Accumulation (SGD) (Inception Date: 15/06/2021)	18.07%	16.19%	N/A	N/A	15.85%
Class F Accumulation (SGD) (Inception Date: 15/06/2022)	11.98%	14.09%	5.57%	N/A	6.11%
MSCI AC World (Net TR) index (SGD)*	N/A	N/A	N/A	N/A	N/A
SISF Global Alternative Energy [Note 26]					
Class A Accumulation (CHF Hedged) (Inception Date: 10/07/2019)	25.02%	-6.62%	-7.38%	N/A	5.10%
Class C Accumulation (CHF Hedged) (Inception Date: 10/07/2019)	31.32%	-4.58%	-5.87%	N/A	6.57%
Class A Accumulation (EUR Hedged) (Inception Date: 10/07/2019)	27.87%	-4.55%	-6.06%	N/A	6.22%
Class C Accumulation (EUR Hedged) (Inception Date: 10/07/2019)	34.32%	-2.45%	-4.52%	N/A	7.70%
Class C Accumulation (GBP Hedged) (Inception Date: 10/07/2019)	36.82%	-0.88%	-3.15%	N/A	8.91%
Class C Distribution (GBP) (Inception Date: 06/07/2020)	42.82%	-1.27%	-0.90%	N/A	6.75%
MSCI Global Alternative Energy (Net TR) Index (GBP)	50.86%	-4.58%	-6.26%	N/A	1.38%
Class A Accumulation (USD) (Inception Date: 10/07/2019)	31.21%	-2.08%	-3.40%	N/A	8.99%
Class C Accumulation (USD) (Inception Date: 10/07/2019)	37.84%	0.08%	-1.82%	N/A	10.51%
MSCI Global Alternative Energy (Net TR) index (USD)	46.12%	-3.21%	-7.01%	N/A	4.33%
Class A Accumulation (SGD Hedged) (Inception Date: 19/04/2021)	27.12%	-4.66%	-5.42%	N/A	-5.28%
MSCI Global Alternative Energy (Net TR) index (SGD Hedged)*	N/A	N/A	N/A	N/A	N/A

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
SISF Global Smaller Companies [Note 27]					
Class A Accumulation (USD) (Inception Date: 24/02/2006)	15.75%	8.53%	1.99%	6.76%	6.03%
Class A Distribution AV (USD) (Inception Date: 24/02/2006)	15.75%	8.53%	1.99%	6.76%	6.04%
Class C Accumulation (USD) (Inception Date: 24/02/2006)	21.28%	10.64%	3.40%	7.79%	6.84%
S&P Developed Small Cap (Net TR) (USD)	29.26%	16.86%	6.93%	10.38%	7.73%
SISF Global Sustainable Growth [Note 28]					
Class A Accumulation (USD) (Inception Date: 23/11/2010)	7.35%	10.29%	5.63%	12.31%	9.96%
Class C Accumulation (USD) (Inception Date: 23/11/2010)	12.77%	12.72%	7.36%	13.64%	10.89%
MSCI AC World (Net TR) (USD)	23.67%	19.70%	10.98%	12.78%	10.57%
Class A Accumulation (EUR Hedged) (Inception Date: 23/11/2010)	4.69%	7.83%	3.06%	9.64%	8.06%
MSCI AC World (Net TR) (EUR Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Accumulation (SGD) (Inception Date: 19/01/2022)	9.01%	8.66%	N/A	N/A	5.16%
Class A Accumulation (SGD Hedged) (Inception Date: 15/06/2022)	4.01%	7.57%	N/A	N/A	10.14%
Class C Accumulation (SGD) (Inception Date: 11/02/2021)	14.51%	11.05%	6.56%	N/A	7.95%
Class F Accumulation (SGD) (Inception Date: 04/06/2020)	14.92%	10.70%	6.08%	N/A	10.79%
MSCI AC World (Net TR) (SGD)	25.59%	17.91%	10.13%	N/A	13.55%
SISF Greater China [Note 29]					
Class A Accumulation (USD) [Note 30] (Inception Date: 28/03/2002)	23.09%	10.98%	-2.72%	8.80%	9.79%
Class C Accumulation (USD) (Inception Date: 28/03/2002)	28.98%	13.14%	-1.37%	9.85%	10.67%
MSCI Golden Dragon Index (Net TR) (USD)	36.50%	23.55%	4.68%	10.66%	8.75%
Class A Accumulation (SGD) (Inception Date: 21/9/2022)	25.04%	9.40%	N/A	N/A	6.95%
Class C Accumulation (SGD) (Inception Date: 11/02/2021)	30.97%	11.47%	-2.11%	N/A	-3.18%
Class F Accumulation (SGD) (Inception Date: 24/11/2015)	31.78%	11.40%	-2.30%	8.93%	7.67%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
MSCI Golden Dragon Index (Net TR) (SGD)	38.62%	21.70%	3.88%	10.22%	8.73%
SISF Healthcare Innovation Note 31					
Class A Accumulation (USD) (Inception Date: 31/07/2019)	12.16%	3.63%	-0.83%	N/A	7.65%
Class C Accumulation (USD) (Inception Date: 31/07/2019)	17.82%	5.91%	0.80%	N/A	9.16%
MSCI AC World (Net TR) index (USD)	23.67%	19.70%	10.98%	N/A	13.41%
SISF Hong Kong Equity Notes 32, 33					
Class A Accumulation (HKD) (Inception Date: 09/08/2002)	-0.05%	1.42%	-5.90%	3.87%	9.22%
Class C Accumulation (HKD) (Inception Date: 09/08/2002)	4.73%	3.39%	-4.60%	4.88%	10.09%
FTSE MPF Hong Kong Index (HKD)	8.57%	6.06%	-2.02%	4.56%	N/A Note 33
Class A Accumulation (USD) (Inception Date: 30/03/2011)	0.05%	1.39%	-6.08%	3.76%	2.70%
FTSE MPF Hong Kong Index (USD)	8.68%	6.04%	-2.21%	4.44%	3.68%
Class C Accumulation (EUR Hedged) (Inception Date: 14/12/2007)	3.82%	2.20%	-5.98%	3.13%	2.13%
FTSE MPF Hong Kong (EUR Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF Indian Opportunities					
Class A Accumulation (USD) (Inception Date: 10/09/2013)	-12.45%	3.41%	0.47%	6.04%	8.19%
Class C Accumulation (USD) (Inception Date: 10/09/2013)	-8.05%	5.67%	2.11%	7.33%	9.42%
MSCI India (Net TR) (USD)	-12.76%	5.73%	5.14%	8.44%	8.69%
Class F Accumulation (SGD) (Inception Date: 14/5/2021)	-6.29%	3.79%	0.92%	N/A	2.57%
MSCI India (Net TR) (SGD)	-11.40%	4.15%	N/A	N/A	5.56%
SISF Japanese Opportunities Note 34					
Class A Accumulation (JPY) (Inception Date: 01/12/2006)	43.53%	21.39%	17.37%	13.61%	4.84%
Class A Distribution AV (JPY) (Inception Date: 01/12/2006)	43.53%	21.39%	17.37%	13.61%	4.84%
Class C Accumulation (JPY) (Inception Date: 06/06/2008)	50.39%	23.75%	19.00%	14.71%	8.74%
Class C Distribution AV (JPY) (Inception Date: 01/12/2006)	50.39%	23.74%	19.00%	14.71%	5.65%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Tokyo Stock Price Index Net TR (JPY)	42.76%	22.82%	17.90%	14.61%	4.63%
Class A Accumulation (USD) (Inception Date: 12/01/2007)	27.68%	16.74%	8.70%	8.52%	3.34%
Tokyo Stock Price Index Net TR (USD)	26.88%	18.11%	9.24%	9.46%	3.15%
Class A Accumulation (USD Hedged) (Inception Date: 26/06/2013)	48.21%	26.12%	20.96%	15.92%	13.83%
Class C Accumulation (USD Hedged) (Inception Date: 26/06/2013)	55.30%	28.57%	22.65%	17.05%	14.84%
Tokyo Stock Price Index Net TR (USD Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF Japanese Smaller Companies [Note 35]					
Class A Accumulation (JPY) (Inception Date: 17/01/2000)	27.75%	12.70%	7.76%	9.76%	4.99%
Class C Accumulation (JPY) (Inception Date: 17/01/2000)	33.88%	14.89%	9.25%	10.83%	5.81%
Russell Nomura Small Cap (Net TR) (JPY)	39.74%	22.51%	16.06%	12.91%	N/A[Note 35]
SISF Latin American [Note 36]					
Class A Accumulation (USD) (Inception Date: 17/01/2000)	19.48%	6.64%	4.70%	6.82%	5.78%
Class A Distribution AV (USD) (Inception Date: 15/07/1998)	19.48%	6.64%	4.70%	6.82%	6.47%
Class C Accumulation (USD) (Inception Date: 17/01/2000)	25.21%	8.72%	6.16%	7.85%	6.59%
Class C Distribution AV (USD) (Inception Date: 16/07/1998)	25.20%	8.71%	6.15%	7.85%	7.26%
MSCI Emerging Markets Latin America 10/40 (Net TR) (USD)	33.77%	12.36%	9.12%	7.77%	8.71%
Class A Accumulation (SGD) (Inception Date: 07/07/2006)	21.34%	5.07%	3.93%	6.41%	2.13%
MSCI Emerging Markets Latin America 10/40 (Net TR) (SGD)	35.85%	10.68%	8.29%	7.34%	4.25%
Class A Accumulation (EUR) (Inception Date: 22/03/2006)	22.80%	5.06%	5.58%	6.55%	6.26%
MSCI Emerging Markets Latin America 10/40 (Net TR) (EUR)	37.34%	10.62%	9.93%	7.46%	8.50%
SISF Robotics and Automation [Note 37]					
Class A Accumulation (USD) (Inception Date: 13/01/2020)	11.91%	12.67%	4.84%	N/A	10.42%
Class C Accumulation (USD) (Inception Date: 13/01/2020)	17.56%	15.14%	6.56%	N/A	11.99%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
MSCI AC World (Net TR) index (USD)	23.67%	19.70%	10.98%	N/A	12.71%
SISF US Small & Mid-Cap Equity Note 38					
Class A Accumulation (USD) (Inception Date: 10/12/2004)	24.58%	10.47%	5.18%	8.40%	8.35%
Class A Distribution AV (USD) (Inception Date: 10/12/2004)	24.58%	10.47%	5.18%	8.40%	8.30%
Class C Accumulation (USD) (Inception Date: 10/12/2004)	30.74%	12.78%	6.80%	9.57%	9.28%
Class C Distribution AV (USD) (Inception Date: 10/12/2004)	30.75%	12.79%	6.80%	9.58%	9.29%
Russell 2500 Lagged (Net TR) (USD)	35.87%	18.34%	7.95%	12.01%	9.52%
Class A Accumulation (EUR) (Inception Date: 28/03/2006)	28.05%	8.83%	6.06%	8.13%	8.01%
Class C Accumulation (EUR) (Inception Date: 28/03/2006)	34.38%	11.11%	7.70%	9.30%	8.96%
Russell 2500 Lagged (Net TR) (EUR)	39.50%	16.51%	8.75%	11.69%	N/A Note 38
Class A Accumulation (EUR Hedged) (Inception Date: 14/12/2007)	21.69%	8.17%	2.79%	5.94%	5.87%
Class C Accumulation (EUR Hedged) (Inception Date: 14/12/2007)	27.71%	10.44%	4.37%	7.09%	6.81%
Russell 2500 Lagged (Net TR) (EUR Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF US Smaller Companies Impact Note 39					
Class A Accumulation (USD) (Inception Date: 17/01/2000)	18.37%	10.98%	4.81%	8.96%	9.08%
Class A Distribution AV (USD) (Inception Date: 20/07/1989)	18.37%	10.98%	4.81%	8.96%	11.47%
Class C Accumulation (USD) (Inception Date: 17/01/2000)	24.24%	13.31%	6.43%	10.15%	9.99%
Class C Distribution AV (USD) (Inception Date: 31/10/1995)	24.22%	13.30%	6.43%	10.14%	10.46%
Russell 2000 Lagged (Net TR) (USD)	39.82%	18.11%	6.49%	11.34%	9.34%
SISF Asian Total Return Note 40					
Class A Accumulation (USD) Note 41 (Inception Date: 16/11/2007)	43.87%	21.54%	7.76%	11.04%	9.82%
Class C Accumulation (USD) (Inception Date: 16/11/2007)	50.75%	23.90%	9.25%	12.11%	10.78%
Class Y1 Accumulation (USD) (Inception Date: 19/02/2025)	51.40%	N/A	N/A	N/A	40.89%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
MSCI AC Asia Pacific ex Japan (Net TR) Index (USD)	40.75%	22.61%	7.33%	10.56%	5.53%
Class A Distribution AV (SGD) Note 41 (Inception Date: 22/11/2010)	46.10%	19.75%	6.95%	10.61%	8.84%
MSCI AC Asia Pacific ex Japan (Net TR) Index (SGD)	42.94%	20.77%	6.51%	10.13%	6.96%
Class Y1 Accumulation (SGD Hedged) (Inception Date: 12/08/2026)	Share Class has not been incepted as at 30 June 2026 and therefore a performance track record of at least one year is not available.				
SISF China Opportunities Note 42					
Class A Accumulation (SGD Hedged) (Inception Date: 16/11/2007)	-7.08%	-1.97%	-11.42%	2.19%	-0.12%
MSCI China (Net TR) (SGD Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Accumulation (USD) (Inception Date: 17/02/2006)	-4.06%	0.70%	-9.53%	3.68%	6.53%
Class C Accumulation (USD) (Inception Date: 17/02/2006)	0.53%	2.65%	-8.28%	4.69%	7.40%
MSCI China (Net TR) (USD)	-4.94%	7.75%	-6.62%	4.34%	6.06%
Class A Accumulation (HKD) (Inception Date: 13/11/2009)	-4.16%	0.73%	-9.36%	3.80%	2.77%
MSCI China (Net TR) (HKD)	-5.04%	7.78%	-6.44%	4.45%	2.72%
Class A Accumulation (EUR) (Inception Date: 15/06/2021)	-1.39%	-0.79%	-8.78%	N/A	-8.06%
MSCI China (Net TR) (EUR)	-2.40%	6.08%	N/A	N/A	-5.09%
Class A Accumulation (CNH Hedged) (Inception Date: 14/01/2021)	-6.76%	-2.28%	-11.36%	N/A	-10.19%
MSCI China (Net TR) (CNH Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF European Value					
Class A Accumulation (EUR) (Inception Date: 31/01/2003)	13.38%	11.91%	10.55%	7.67%	7.62%
Class A Distribution AV (EUR) (Inception Date: 28/04/2004)	13.38%	11.91%	10.55%	7.72%	6.30%
Class C Accumulation (EUR) (Inception Date: 31/01/2003)	19.10%	14.37%	12.36%	8.94%	8.53%
Class C Distribution AV (EUR) (Inception Date: 15/10/2004)	19.10%	14.37%	12.36%	8.92%	7.26%
MSCI Europe (Net TR) (EUR)	21.81%	14.39%	10.30%	9.60%	8.06%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class A Accumulation (SGD Hedged) (Inception Date: 04/11/2015)	12.58%	11.56%	11.02%	8.67%	6.95%
MSCI Europe (Net TR) (SGD Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Accumulation (USD) (Inception Date: 02/04/2014)	10.31%	13.60%	9.64%	7.97%	4.68%
MSCI Europe (Net TR) (USD)	18.64%	16.18%	9.50%	9.92%	6.52%
SISF Global Sustainable Food and Water Note 70					
Class A Accumulation (USD) (Inception Date: 05/10/2021)	-1.96%	-1.21%	N/A	N/A	-1.06%
Class C Accumulation (USD) (Inception Date: 05/10/2021)	2.99%	0.96%	N/A	N/A	0.61%
MSCI AC World (Net TR) (USD)	23.67%	19.70%	N/A	N/A	11.85%
Class A Accumulation (EUR Hedged) (Inception Date: 17/08/2022)	-4.34%	-3.46%	N/A	N/A	-2.71%
MSCI AC World (Net TR) (EUR Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Accumulation (GBP Hedged) (Inception Date: 17/08/2022)	-2.48%	-1.87%	N/A	N/A	-1.16%
MSCI AC World (Net TR) (GBP Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Accumulation (SGD Hedged) (Inception Date: 17/08/2022)	-4.91%	-3.64%	N/A	N/A	-2.39%
MSCI AC World (Net TR) (SGD Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF China A					
Class A Accumulation (USD) (Inception Date: 06/12/2017)	49.42%	13.04%	-1.34%	N/A	7.24%
Class C Accumulation (USD) (Inception Date: 06/12/2017)	56.57%	15.24%	0.03%	N/A	8.36%
MSCI China A Onshore (Net TR) (USD)	45.16%	15.71%	1.36%	N/A	4.65%
Class C Accumulation (EUR) (Inception Date: 06/07/2020)	60.93%	13.53%	0.87%	N/A	5.14%
MSCI China A Onshore (Net TR) (EUR)	49.04%	13.92%	2.10%	N/A	4.92%
Class A Accumulation (SGD) (Inception Date: 17/05/2023)	51.73%	11.37%	N/A	N/A	9.81%
MSCI China A Onshore (Net TR) (SGD)	47.42%	N/A	N/A	N/A	11.71%
SISF All China Equity Note 71					

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class A Accumulation (USD) (Inception Date: 27/06/2018)	-0.07%	0.45%	-8.88%	N/A	2.16%
Class C Accumulation (USD) (Inception Date: 27/06/2018)	4.97%	2.66%	-7.38%	N/A	3.50%
Class Y Accumulation (USD) (Inception Date: 06/05/2019)	6.21%	3.16%	-7.06%	N/A	4.46%
MSCI China All Shares Net TR (USD)	9.54%	10.03%	-4.05%	N/A	2.26%
Class C Accumulation (EUR) (Inception Date: 18/05/2022)	7.89%	1.14%	N/A	N/A	-1.37%
Class Y Accumulation (EUR) (Inception Date: 06/05/2019)	9.18%	1.64%	-6.27%	N/A	4.20%
MSCI China All Shares Net TR (EUR)	12.46%	8.32%	-3.34%	N/A	2.11%
Class C Accumulation (GBP) (Inception Date: 18/05/2022)	8.77%	1.30%	N/A	N/A	-0.92%
Class Y Distribution AV (GBP) (Inception Date: 06/05/2019)	10.06%	1.78%	-6.18%	N/A	4.32%
MSCI China All Shares Net TR (GBP)	13.09%	8.46%	-3.28%	N/A	2.22%
SISF China A All Cap [Note 72]					
Class A Accumulation (USD) (Inception Date: 15/10/2021)	56.66%	12.75%	N/A	N/A	1.02%
Class C Accumulation (USD) (Inception Date: 15/10/2021)	64.18%	14.94%	N/A	N/A	2.48%
MSCI China A Onshore (Net TR)	45.16%	15.71%	N/A	N/A	1.99%
SISF European Sustainable Equity [Note 73]					
Class A Accumulation (EUR) (Inception Date: 12/12/2018)	7.52%	6.07%	3.20%	N/A	7.19%
Class A Distribution AV (EUR) (Inception Date: 19/10/2022)	7.52%	6.07%	N/A	N/A	8.82%
Class C Accumulation (EUR) (Inception Date: 12/12/2018)	12.81%	8.27%	4.76%	N/A	8.51%
Class C Distribution AV (EUR) (Inception Date: 19/10/2022)	12.80%	8.27%	N/A	N/A	10.77%
MSCI Europe (Net TR)	21.81%	14.39%	10.30%	N/A	11.11%
SISF Global Sustainable Value [Note 74]					
Class A Accumulation (EUR Hedged) (Inception Date: 18/10/2023)	10.22%	N/A	N/A	N/A	13.75%
Class A Distribution QV (EUR Hedged) (Inception Date: 18/10/2023)	10.19%	N/A	N/A	N/A	13.74%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class C Accumulation (EUR Hedged) (Inception Date: 18/10/2023)	15.79%	N/A	N/A	N/A	16.43%
Class C Distribution QV (EUR Hedged) (Inception Date: 18/10/2023)	15.78%	N/A	N/A	N/A	16.41%
MSCI World (Net TR) (EUR Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Distribution MV (SGD Hedged) (Inception Date: 18/10/2023)	9.57%	N/A	N/A	N/A	13.45%
MSCI World (Net TR) (SGD Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Distribution MV (USD) (Inception Date: 18/10/2023)	13.10%	N/A	N/A	N/A	16.43%
MSCI World (Net TR) (USD)	21.34%	N/A	N/A	N/A	23.20%
SISF Indian Equity [Note 76]					
Class A Accumulation (USD) (Inception Date: 10/11/2006)	-17.54%	3.32%	3.08%	6.60%	5.66%
Class C Accumulation (USD) (Inception Date: 10/11/2006)	N/A	N/A	N/A	N/A	-7.70%
MSCI India (Net TR) (USD)	-13.59%	5.33%	4.51%	7.64%	6.52%
Class F Accumulation (SGD) (Inception Date: 17/12/2025)	-12.76%	5.73%	5.14%	8.44%	6.08%
SISF Global Equity Income Plus [Note 79]					
Class A Accumulation (USD) (Inception Date: 20/05/2026)	Share Class has not been incepted for at least one year as at 30 June 2026 and therefore a performance track record of at least one year is not available				
Class A Distribution MVT1 (USD) (Inception Date: 18/03/2026)	Share Class has not been incepted for at least one year as at 30 June 2026 and therefore a performance track record of at least one year is not available				
Class A Distribution MVT2 (USD) (Inception Date: 18/03/2026)	Share Class has not been incepted for at least one year as at 30 June 2026 and therefore a performance track record of at least one year is not available				
Class C Accumulation (USD) (Inception Date: 14/07/2021)	14.78%	16.39%	N/A	N/A	9.97%
MSCI All Country World (Net TR) (USD)	23.67%	19.70%	N/A	N/A	10.87%
Class A Distribution (SGD Hedged) (Inception Date: 18/03/2026)	Share Class has not been incepted for at least one year as at 30 June 2026 and therefore a performance track record of at least one year is not available.				
MSCI All Country World (Net TR) (SGD)	N/A	N/A	N/A	N/A	N/A
Alpha Equity Funds					
SISF Global Equity Alpha					

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class A Accumulation (USD) (Inception Date: 29/07/2005)	5.65%	14.59%	7.72%	11.52%	7.47%
Class C Accumulation (USD) (Inception Date: 29/07/2005)	11.21%	17.35%	9.70%	13.04%	8.57%
Class C Distribution AV (USD) (Inception Date: 24/04/2006)	11.21%	17.34%	9.70%	13.04%	7.98%
MSCI World (Net TR) (USD)	21.34%	19.24%	11.47%	13.14%	8.93%
Class A Accumulation (EUR) (Inception Date: 28/03/2006)	8.59%	12.90%	8.62%	11.23%	7.78%
Class C Accumulation (EUR) (Inception Date: 28/03/2006)	14.30%	15.61%	10.62%	12.76%	8.85%
MSCI World (Net TR) (EUR)	24.58%	17.40%	12.29%	12.81%	9.25%
Class A Accumulation (SGD) (Inception Date: 16/04/2025)	7.29%	N/A	N/A	N/A	19.51%
MSCI World (Net TR) (SGD)	23.22%	N/A	N/A	N/A	31.69%
Quantitative Equity Funds					
SISF QEP Global Active Value					
Class A Accumulation (USD) (Inception Date: 29/10/2004)	25.95%	18.64%	10.16%	9.88%	6.95%
Class A Distribution AV (USD) (Inception Date: 29/10/2004)	25.94%	18.63%	10.16%	9.88%	6.95%
Class C Accumulation (USD) (Inception Date: 29/10/2004)	32.22%	21.18%	11.91%	11.16%	7.79%
Class C Distribution AV (USD) (Inception Date: 29/10/2004)	32.23%	21.18%	11.91%	11.15%	7.78%
MSCI AC World (Net TR) (USD) Note 43	23.67%	19.70%	10.98%	12.78%	9.03%
Class A Accumulation (EUR) (Inception Date: 28/03/2006)	29.45%	16.88%	11.08%	9.60%	7.46%
Class C Accumulation (EUR) (Inception Date: 28/03/2006)	35.91%	19.39%	12.85%	10.87%	8.35%
MSCI AC World (Net TR) (EUR) Note 43	26.98%	17.85%	11.80%	12.46%	9.57%
SISF QEP Global Core Note 44					
Class C Accumulation (USD) (Inception Date: 17/01/2000)	21.56%	19.85%	12.62%	13.25%	8.02%
Class C Distribution AV (USD) (Inception Date: 31/10/1995)	21.48%	19.82%	12.60%	13.25%	8.01%
MSCI World (Net TR) (USD)	21.34%	19.24%	11.47%	13.14%	8.50%
SISF QEP Global Quality					

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class A Accumulation (USD) (Inception Date: 17/10/2007)	15.68%	14.92%	8.31%	9.48%	6.46%
Class C Accumulation (USD) (Inception Date: 17/10/2007)	21.44%	17.38%	10.03%	10.75%	7.32%
Class C Distribution AV (USD) (Inception Date: 17/10/2007)	21.44%	17.39%	10.03%	10.75%	7.32%
MSCI AC World (Net TR) (USD) Note 45	23.67%	19.70%	10.98%	12.78%	7.45%
Class A Accumulation (EUR) (Inception Date: 17/10/2007)	18.88%	13.22%	9.21%	9.20%	7.70%
Class C Accumulation (EUR) (Inception Date: 17/10/2007)	24.81%	15.65%	10.95%	10.47%	8.57%
MSCI AC World (Net TR) (EUR) Note 45	26.98%	17.85%	11.80%	12.46%	8.70%
SISF QEP Emerging Markets Core Note 77					
Class A Accumulation (USD) (Inception Date: 28/06/2021)	35.31%	19.97%	4.15%	N/A	4.05%
Class C Accumulation (USD) (Inception Date: 28/06/2021)	42.35%	22.99%	6.33%	N/A	6.22%
MSCI Emerging Markets 10/40 (Net TR) (USD)	42.09%	22.62%	N/A	N/A	6.89%
Class A Accumulation (EUR) (Inception Date: 28/06/2021)	38.97%	18.24%	5.15%	N/A	5.17%
Class C Accumulation (EUR) (Inception Date: 28/06/2021)	46.14%	21.04%	7.07%	N/A	7.08%
MSCI Emerging Markets 10/40 (Net TR) (EUR)	45.89%	20.72%	N/A	N/A	7.80%
Absolute Return Funds					
SISF Emerging Markets Debt Total Return Note 46					
Class A Accumulation (USD) (Inception Date: 17/01/2000)	5.89%	5.09%	1.37%	1.44%	4.06%
Class A Distribution QF (USD) (Inception Date: 29/08/1997)	5.88%	5.08%	1.36%	1.43%	4.47%
Class C Accumulation (USD) (Inception Date: 17/01/2000)	8.77%	6.49%	2.44%	2.31%	4.88%
Class C Distribution AV (USD) (Inception Date: 17/11/1997)	8.75%	6.48%	2.44%	2.31%	5.54%
Class A Accumulation (EUR Hedged) (Inception Date: 30/09/2003)	3.51%	2.95%	-0.74%	-0.75%	1.20%
Class C Accumulation (EUR Hedged) (Inception Date: 30/09/2003)	6.30%	4.31%	0.32%	0.11%	2.03%
Class A Distribution QF (SGD Hedged) (Inception Date: 11/07/2008)	2.80%	2.68%	-0.28%	0.31%	0.85%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Mainstream Bond Funds					
SISF EURO Short Term Bond Note 47					
Class A Accumulation (EUR) (Inception Date: 17/01/2000)	-1.61%	2.55%	0.18%	-0.02%	1.60%
Class A Distribution AV (EUR) (Inception Date: 17/03/1998)	-1.60%	2.55%	0.18%	-0.01%	1.60%
Class C Accumulation (EUR) (Inception Date: 17/01/2000)	0.75%	3.59%	0.92%	0.51%	2.01%
Class C Distribution AV (EUR) (Inception Date: 25/03/1998)	0.82%	3.62%	0.93%	0.52%	1.98%
Bloomberg Euro Aggregate (1-3 Y) Index (EUR)	1.54%	3.41%	1.08%	0.53%	N/A Note 48
SISF EURO Government Bond Note 49					
Class A Accumulation (EUR) (Inception Date: 17/01/2000)	-1.63%	1.71%	-3.41%	-1.15%	2.37%
Class A Distribution AV (EUR) (Inception Date: 13/09/1994)	-1.64%	1.71%	-3.42%	-1.15%	3.35%
Class C Accumulation (EUR) (Inception Date: 17/01/2000)	0.65%	2.66%	-2.78%	-0.70%	2.75%
Class C Distribution AV (EUR) (Inception Date: 16/02/1996)	0.64%	2.66%	-2.78%	-0.70%	3.31%
ICE BofA Euro Government Index (EUR)	1.29%	2.73%	-2.06%	-0.32%	4.23%
SISF Global Inflation Linked Bond Note 50					
Class A Accumulation (EUR) (Inception Date: 28/11/2003)	-1.57%	-0.49%	-4.26%	-1.25%	1.48%
Class C Accumulation (EUR) (Inception Date: 28/11/2003)	0.88%	0.61%	-3.46%	-0.65%	1.92%
ICE BofA Global Governments Inflation-Linked EUR Hedged	1.33%	0.93%	-2.62%	-0.08%	2.72%
Class A Accumulation (USD Hedged) (Inception Date: 31/03/2004)	0.46%	1.35%	-2.47%	0.67%	2.53%
Class C Accumulation (USD Hedged) (Inception Date: 31/03/2004)	2.96%	2.47%	-1.65%	1.29%	2.98%
ICE BofA Global Governments Inflation-Linked USD Hedged*	N/A	N/A	N/A	N/A	N/A
SISF US Dollar Bond Note 51					
Class A Accumulation (USD) (Inception Date: 17/01/2000)	1.72%	3.39%	-1.21%	1.10%	3.60%
Class A Distribution QF (USD) (Inception Date: 22/01/1998)	1.72%	3.39%	-1.21%	1.10%	3.50%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class C Accumulation (USD) (Inception Date: 17/01/2000)	4.13%	4.41%	-0.51%	1.61%	4.01%
Class C Distribution AV (USD) (Inception Date: 15/12/1997)	4.13%	4.41%	-0.51%	1.61%	3.91%
Bloomberg US Aggregate Bond (TR) Index (USD)	3.79%	4.16%	0.08%	1.54%	4.01%
Class A Accumulation (EUR Hedged) (Inception Date: 13/04/2007)	-0.48%	1.34%	-3.16%	-0.99%	1.57%
Class C Accumulation (EUR Hedged) (Inception Date: 13/04/2007)	1.89%	2.36%	-2.47%	-0.48%	1.98%
Bloomberg US Aggregate Bond (TR) Index EUR Hedged*	N/A	N/A	N/A	N/A	N/A
SISF Global Bond Note 52					
Class A Accumulation (USD) (Inception Date: 17/01/2000)	-2.13%	2.33%	-3.43%	-0.62%	2.40%
Class A Distribution AV (USD) (Inception Date: 03/06/1993)	-2.13%	2.33%	-3.43%	-0.62%	2.63%
Class C Accumulation (USD) (Inception Date: 17/01/2000)	0.19%	3.33%	-2.74%	-0.12%	2.91%
Class C Distribution AV (USD) (Inception Date: 06/11/1995)	0.19%	3.33%	-2.75%	-0.12%	2.63%
Bloomberg Global Aggregate Bond Index (USD)	0.62%	3.41%	-1.55%	0.38%	3.80%
Class A Accumulation (EUR Hedged) (Inception Date: 02/11/2011)	-1.73%	1.18%	-3.15%	-1.20%	0.27%
Class A Distribution QF (EUR Hedged) (Inception Date: 02/11/2011)	-1.72%	1.19%	-3.15%	-1.20%	0.27%
Class C Accumulation (EUR Hedged) (Inception Date: 02/11/2011)	0.61%	2.18%	-2.47%	-0.70%	0.71%
Bloomberg Global Aggregate Bond Index (EUR Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Accumulation (USD Hedged) (Inception Date: 27/02/2013)	0.13%	2.99%	-1.40%	0.71%	1.20%
Bloomberg Global Aggregate Bond Index (USD Hedged)*	N/A	N/A	N/A	N/A	N/A
Specialist Bond Funds					
SISF Asian Credit Opportunities					
Class A Accumulation (USD) (Inception Date: 06/08/2018)	2.26%	4.93%	-0.51%	N/A	1.87%
Class A Distribution MF (USD) (Inception Date: 06/08/2018)	2.26%	4.92%	-0.54%	N/A	1.82%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class C Accumulation (USD) (Inception Date: 06/08/2018)	5.01%	6.27%	0.49%	N/A	2.74%
JP Morgan Asian Credit (USD)	5.52%	6.40%	1.50%	N/A	3.26%
Class C Accumulation (EUR Hedged) Note 53 (Inception Date: 06/08/2018)	2.76%	4.21%	-1.45%	N/A	0.70%
Class A Accumulation (SGD Hedged) (Inception Date: 14/11/2018)	-0.62%	2.59%	-2.04%	N/A	0.79%
Class A Distribution MF (SGD Hedged) (Inception Date: 06/08/2018)	-0.63%	2.59%	-2.03%	N/A	0.67%
JP Morgan Asia Credit (SGD Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF EURO Corporate Bond Note 54					
Class A Accumulation (EUR) (Inception Date: 30/06/2000)	-0.22%	4.82%	-0.47%	1.39%	3.45%
Class A Distribution SF (EUR) (Inception Date: 30/04/2009)	-0.22%	4.82%	-0.47%	1.39%	3.19%
Class C Accumulation (EUR) (Inception Date: 30/06/2000)	2.24%	5.96%	0.34%	2.00%	3.98%
ICE BofA Euro Corporate Index (EUR)	2.54%	4.98%	0.20%	1.11%	3.60%
Class A Accumulation (USD Hedged) (Inception Date: 22/05/2009)	1.80%	6.69%	1.31%	3.31%	4.37%
ICE BofA Euro Corporate Index (USD Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF Global Corporate Bond Note 55					
Class A Accumulation (USD) (Inception Date: 17/01/2000)	1.49%	4.82%	-0.12%	2.26%	4.09%
Class A Distribution MV (USD) (Inception Date: 20/09/1994)	1.48%	4.82%	-0.12%	2.26%	4.09%
Class C Accumulation (USD) (Inception Date: 17/01/2000)	3.99%	5.96%	0.69%	2.88%	4.63%
Class C Distribution AV (USD) (Inception Date: 31/10/1995)	3.99%	5.96%	0.69%	2.88%	4.64%
Bloomberg Global Aggregate - Corporate index Hedged to USD	4.50%	5.96%	1.07%	2.88%	4.27%
Class A Accumulation (EUR Hedged) (Inception Date: 30/09/2004)	-0.70%	2.79%	-2.07%	0.17%	2.16%
Class A Distribution QF (EUR Hedged) (Inception Date: 30/09/2004)	-0.69%	2.77%	-2.08%	0.16%	2.01%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Bloomberg Global Aggregate - Corporate index Hedged to EUR *	N/A	N/A	N/A	N/A	N/A
Class A Distribution SV (SGD Hedged) (Inception Date: 17/04/2009)	-1.40%	2.48%	-1.68%	1.22%	3.37%
Bloomberg Global Aggregate – Corporate index Hedged to SGD *	N/A	N/A	N/A	N/A	N/A
Class A Distribution MVC (CNH Hedged) (Inception Date: 07/11/2012)	-1.21%	2.06%	-1.62%	2.35%	3.24%
Bloomberg Global Aggregate - Corporate index Hedged to CNH*	N/A	N/A	N/A	N/A	N/A
SISF Global High Yield Note 56					
Class A Accumulation (USD) (Inception Date: 16/04/2004)	3.25%	7.82%	2.97%	4.60%	5.20%
Class A Distribution MV (USD) (Inception Date: 30/11/2004)	3.25%	7.82%	2.97%	4.59%	4.94%
Class C Accumulation (USD) (Inception Date: 16/04/2004)	5.91%	9.10%	3.91%	5.33%	5.83%
Bloomberg Global HYxCMBSxEMG index USD Hedged 2% cap	6.05%	9.06%	4.41%	5.91%	6.95%
Class A Accumulation (EUR Hedged) (Inception Date: 16/04/2004)	1.07%	5.79%	1.01%	2.47%	3.93%
Class C Accumulation (EUR Hedged) (Inception Date: 16/04/2004)	3.69%	7.05%	1.93%	3.19%	4.53%
Bloomberg Global HYxCMBSxEMG index EUR Hedged 2% cap *	N/A	N/A	N/A	N/A	N/A
Class A Distribution MV (SGD Hedged) (Inception Date: 07/09/2016)	0.34%	5.44%	1.39%	N/A	3.06%
Bloomberg Global HYxCMBSxEMG index SGD Hedged 2% cap *	N/A	N/A	N/A	N/A	N/A
SISF Strategic Bond Note 57					
Class A Accumulation (USD) (Inception Date: 30/09/2004)	3.25%	7.82%	2.97%	4.60%	5.20%
Class A Distribution MV (USD) (Inception Date: 15/04/2005)	3.25%	7.82%	2.97%	4.59%	4.94%
Class C Accumulation (USD) (Inception Date: 30/09/2004)	5.91%	9.10%	3.91%	5.33%	5.83%
ICE BofA US 3-Month Treasury Bill TR (USD)	6.05%	9.06%	4.41%	5.91%	6.95%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class A Accumulation (EUR Hedged) (Inception Date: 30/09/2004)	1.07%	5.79%	1.01%	2.47%	3.93%
Class C Accumulation (EUR Hedged) (Inception Date: 30/09/2004)	3.69%	7.05%	1.93%	3.19%	4.53%
ICE BofA US 3-Month Treasury Bill TR (EUR Hedged)*	N/A	N/A	N/A	N/A	N/A
Class C Accumulation (GBP Hedged) (Inception Date: 08/07/2005)	0.34%	5.44%	1.39%	N/A	3.06%
ICE BofA US 3-Month Treasury Bill TR (GBP Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF Asian Local Currency Bond Note 58					
Class A Accumulation (USD) (Inception Date: 09/05/2008)	-6.59%	1.05%	-0.96%	1.42%	1.92%
Class A Distribution MV (USD) (Inception Date: 09/05/2008)	-6.59%	1.05%	-0.96%	1.43%	1.91%
Class C Accumulation (USD) (Inception Date: 09/05/2008)	-4.28%	2.15%	-0.16%	2.04%	2.44%
iBoxx Asian Local Currency Bond (USD)	-2.52%	3.92%	1.00%	2.46%	3.45%
Class A Accumulation (SGD Hedged) (Inception Date: 09/05/2008)	-9.31%	-1.27%	-2.58%	0.29%	1.15%
iBoxx Asian Local Currency Bond (SGD Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Accumulation (EUR) (Inception Date: 23/01/2013)	-3.99%	-0.45%	-0.13%	1.17%	1.84%
iBoxx Asian Local Currency Bond (EUR)	0.08%	2.31%	1.75%	2.16%	3.10%
SISF Global Credit High Income Note 59					
Class A Accumulation (USD) (Inception Date: 25/01/2011)	2.48%	8.24%	2.85%	4.17%	3.41%
Class A Distribution MF (USD) (Inception Date: 25/01/2011)	2.47%	8.23%	2.85%	4.17%	3.40%
Class C Accumulation (USD) (Inception Date: 17/06/2026)	Share Class has not been incepted for at least one year as at 30 June 2026 and therefore a performance track record of at least one year is not available				
Bloomberg Multiverse ex-Treasury BBB+ to CCC+ USD, EUR, GBP index (USD) Note 60	5.81%	7.36%	2.00%	N/A	N/A
Class C Accumulation (CHF Hedged) (Inception Date: 06/11/2025)	Share Class has not been incepted for at least one year as at 30 June 2026 and therefore a performance track record of at least one year is not available				
Bloomberg Multiverse ex-Treasury BBB+ to CCC+ USD,	N/A	N/A	N/A	N/A	N/A

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
EUR, GBP index (CHF Hedged)*					
Class A Accumulation (EUR Hedged) (Inception Date: 02/03/2011)	0.31%	6.16%	0.85%	2.02%	1.84%
Class A Distribution QF (EUR Hedged) (Inception Date: 02/03/2011)	0.30%	6.13%	0.84%	2.02%	1.81%
Class C Accumulation (EUR Hedged) (Inception Date: 27/03/2013)	3.11%	7.62%	1.97%	2.88%	1.90%
Bloomberg Multiverse ex-Treasury BBB+ to CCC+ USD, EUR, GBP index (EUR Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Distribution MF (HKD Hedged) (Inception Date: 06/07/2020)	0.72%	6.87%	1.79%	N/A	3.07%
Bloomberg Multiverse ex-Treasury BBB+ to CCC+ USD, EUR, GBP index (HKD Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Distribution MV (JPY Hedged) (Inception Date: 16/07/2025)	Share Class has not been incepted for at least one year as at 30 June 2026 and, accordingly, a performance track record of at least one year is not available.				
Bloomberg Multiverse ex-Treasury BBB+ to CCC+ USD, EUR, GBP index (JPY Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Distribution MV (SGD Hedged) (Inception Date: 16/07/2025)	Share Class has not been incepted for at least one year as at 30 June 2026 and, accordingly, a performance track record of at least one year is not available.				
Bloomberg Multiverse ex-Treasury BBB+ to CCC+ USD, EUR, GBP index (SGD Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF Asian Convertible Bond					
Class A Accumulation (USD) (Inception date: 14/03/2008)	16.02%	10.12%	1.45%	5.20%	4.27%
Class C Accumulation (USD) (Inception date: 14/03/2008)	19.11%	11.56%	2.51%	6.07%	5.02%
FTSE Asia ex Japan Hedged Convertible Bond (USD) **Note 61**	15.09%	11.60%	3.52%	6.24%	5.03%
Class A Accumulation (EUR Hedged) (Inception date: 28/03/2008)	13.42%	7.92%	-0.64%	2.99%	2.93%
Class C Accumulation (EUR Hedged) (Inception date : 28/03/2008)	16.46%	9.34%	0.41%	3.85%	3.68%
FTSE Asia ex Japan Hedged Convertible Bond (EUR Hedged)***Note 61**	N/A	N/A	N/A	N/A	N/A

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
SISF Global Convertible Bond					
Class A Accumulation (USD) (Inception date : 14/03/2008)	27.46%	18.23%	6.22%	7.44%	5.01%
Class C Accumulation (USD) (Inception date : 14/03/2008)	30.88%	19.78%	7.31%	8.28%	5.75%
FTSE Global Focus Hedged Convertible Bond (USD) Note 62	22.69%	17.61%	7.65%	8.12%	6.37%
Class A Accumulation (EUR Hedged) (Inception date : 28/03/2008)	24.53%	15.82%	4.07%	5.21%	3.77%
Class C Accumulation (EUR Hedged) (Inception date : 28/03/2008)	27.89%	17.34%	5.14%	6.04%	4.50%
FTSE Global Focus Hedged Convertible Bond (EUR Hedged)* Note 62	N/A	N/A	N/A	N/A	N/A
SISF Global Credit Income Note 63					
Class A Accumulation (USD) (Inception Date: 15/12/2017)	1.84%	6.51%	1.57%	N/A	2.85%
Class A Distribution MF (USD) (Inception Date: 30/11/2016)	1.85%	6.51%	1.57%	N/A	3.47%
Class C Accumulation (USD) (Inception Date: 14/02/2018)	4.62%	7.93%	2.65%	N/A	3.94%
Class C Distribution MF (USD) (Inception Date: 30/11/2016)	4.62%	7.93%	2.65%	N/A	4.37%
Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index (USD)	5.16%	6.55%	1.46%	N/A	3.50%
Class A Accumulation (AUD Hedged) (Inception Date: 05/09/2018)	1.51%	5.71%	0.74%	N/A	2.38%
Class A Distribution MFC (AUD Hedged) (Inception Date: 30/11/2016)	1.56%	5.73%	0.74%	N/A	2.84%
Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index (AUD Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Accumulation (EUR Hedged) (Inception Date: 30/11/2016)	-0.31%	4.48%	-0.39%	N/A	1.37%
Class A Distribution QF (EUR Hedged) (Inception Date: 30/11/2016)	-0.31%	4.46%	-0.40%	N/A	1.36%
Class C Accumulation (EUR Hedged) (Inception date: 25/10/2017)	2.42%	5.87%	0.68%	N/A	1.69%
Class C Distribution QF (EUR Hedged) (Inception Date: 30/11/2016)	2.41%	5.85%	0.66%	N/A	2.23%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index (EUR Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Accumulation (GBP Hedged) (Inception Date: 05/09/2018)	1.65%	6.23%	1.11%	N/A	2.46%
Class A Distribution MF (GBP Hedged) (Inception Date: 30/11/2016)	1.63%	6.24%	1.13%	N/A	2.60%
Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index (GBP Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Accumulation (SGD Hedged) (Inception Date: 05/09/2018)	-0.99%	4.18%	0.03%	N/A	2.01%
Class A Distribution MF (SGD Hedged) (Inception Date: 30/11/2016)	-1.01%	4.18%	0.02%	N/A	2.38%
Class C Accumulation (SGD Hedged) (Inception Date: 05/09/2018)	1.71%	5.57%	1.09%	N/A	2.94%
Class C Distribution MF (SGD Hedged) (Inception Date: 05/09/2018)	1.68%	5.56%	1.08%	N/A	2.94%
Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index (SGD Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Distribution MF (HKD) (Inception Date: 30/11/2016)	1.74%	6.54%	1.77%	N/A	3.60%
Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index (HKD)	5.06%	6.58%	1.66%	N/A	3.62%
Class A Distribution MFC (CNH Hedged) (Inception Date: 30/11/2016)	-0.82%	3.73%	0.04%	N/A	3.48%
Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index (CNH Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Distribution MV (CHF Hedged) (Inception Date: 12/04/2021)	-2.46%	2.06%	-2.04%	N/A	-1.81%
Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index (CHF Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF Asian Bond Total Return [Note 64]					
Class A Accumulation (USD) (Inception Date: 17/01/2000)	-0.95%	3.03%	1.30%	2.46%	4.04%
Class A Distribution MF (USD) (Inception Date: 16/10/1998)	-0.95%	3.03%	1.30%	2.46%	4.58%
Class C Accumulation (USD) (Inception Date: 17/01/2000)	1.54%	4.20%	2.18%	3.15%	4.73%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
50% Markit iBoxx Asian Local Currency index + 50% JP Morgan Asian Credit (USD)[Note 64]	1.44%	5.17%	1.28%	2.46%	3.57%
Class A Accumulation (EUR Hedged) (Inception Date: 09/11/2007)	-3.02%	1.12%	-0.57%	0.43%	0.57%
Class C Accumulation (EUR Hedged) (Inception Date: 09/11/2007)	-0.56%	2.27%	0.28%	1.10%	1.23%
50% Markit iBoxx Asian Local Currency index + 50% JP Morgan Asian Credit (EUR Hedged)*	N/A	N/A	N/A	N/A	N/A
Class A Accumulation (SGD Hedged) (Inception Date: 09/05/2008)	-3.70%	0.82%	-0.18%	1.45%	1.00%
50% Markit iBoxx Asian Local Currency index + 50% JP Morgan Asian Credit (SGD Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF China Local Currency Bond					
Class A Accumulation (USD) (Inception Date: 07/11/2012)	2.61%	4.56%	1.52%	2.43%	1.78%
Class C Accumulation (USD) (Inception Date: 07/11/2012)	5.22%	5.78%	2.42%	3.13%	2.57%
iBoxx ALBI China (USD)	6.99%	6.51%	3.32%	3.97%	3.28%
Multi-Asset Funds					
SISF Global Multi-Asset Income [Note 65]					
Class A Accumulation (USD) (Inception Date: 18/04/2012)	5.76%	8.02%	3.07%	3.76%	3.48%
Class A Distribution MF (USD) (Inception Date: 18/04/2012)	5.76%	8.02%	3.07%	3.75%	3.48%
Class C Accumulation (USD) (Inception Date: 18/04/2012)	10.88%	10.18%	4.56%	4.81%	4.41%
Class C Distribution MF (USD) (Inception Date: 18/04/2012)	10.88%	10.18%	4.55%	4.81%	4.40%
Class A Accumulation (SGD) (Inception Date: 18/09/2013)	7.40%	6.43%	2.31%	3.35%	3.33%
Class A Distribution MF (SGD) (Inception Date: 25/02/2015)	7.40%	6.42%	2.30%	3.35%	2.35%
Class A Accumulation (SGD Hedged) (Inception Date: 18/09/2013)	2.70%	5.58%	1.42%	2.63%	2.32%
Class A Distribution MF (SGD Hedged) (Inception Date: 27/02/2013)	2.68%	5.58%	1.40%	2.62%	2.20%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class A Distribution MFC (AUD Hedged) (Inception Date: 17/04/2013)	5.21%	6.97%	1.94%	2.94%	2.77%
Class A Distribution MF (CNH Hedged) (Inception Date: 26/06/2013)	2.92%	5.19%	1.49%	3.77%	3.90%
Class A Accumulation (EUR Hedged) (Inception Date: 18/04/2012)	3.41%	5.88%	0.97%	1.57%	1.83%
Class A Distribution QV (EUR Hedged) (Inception Date: 18/04/2012)	3.39%	5.86%	0.97%	1.56%	1.83%
Class A Distribution MF (GBP Hedged) (Inception Date: 17/04/2013)	5.42%	7.62%	2.47%	2.74%	2.15%
SISF Inflation Plus Note 66					
Class A Accumulation (EUR) (Inception Date: 31/03/2000)	15.84%	6.91%	4.72%	2.84%	3.59%
Class A Distribution AV (EUR) (Inception Date: 12/06/2001)	15.85%	6.91%	4.72%	2.84%	3.34%
Class C Accumulation (EUR) (Inception Date: 31/03/2000)	20.48%	8.93%	6.26%	4.04%	4.53%
Eurozone Harmonized Consumer Price Index (EUR)	3.15%	2.54%	4.33%	2.81%	2.19%
Class A Accumulation (USD Hedged) (Inception Date: 19/01/2022)	18.18%	8.78%	N/A	N/A	6.74%
Class C Accumulation (USD Hedged) (Inception Date: 19/01/2022)	22.90%	10.86%	N/A	N/A	8.41%
Eurozone Harmonized Consumer Price Index (USD Hedged)*	N/A	N/A	N/A	N/A	N/A
SISF Global Target Return					
Class A Accumulation (USD) (Inception Date: 07/12/2016)	8.81%	9.72%	4.72%	N/A	5.22%
Class A Distribution MF (USD) (Inception Date: 14/02/2018)	8.81%	9.72%	4.72%	N/A	5.18%
Class A Distribution MV (USD) (Inception Date: 17/10/2018)	8.83%	9.73%	4.73%	N/A	5.66%
Class C Accumulation (USD) (Inception Date: 07/12/2016)	13.02%	11.66%	6.13%	N/A	6.34%
ICE BofA 3 Month US Treasury Bill Index + 5.00% (USD) Note 68	9.03%	9.88%	8.70%	N/A	7.68%
Class A Accumulation (SGD Hedged) Note 69 (Inception Date: 07/12/2016)	5.73%	7.32%	3.14%	N/A	4.10%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class A Distribution MF (SGD Hedged) Note 69 (Inception Date : 14/02/2018)	5.73%	7.30%	3.13%	N/A	3.96%
Class A Distribution QF (SGD Hedged) Note 69 (Inception date : 14/1/2021)	5.91%	7.50%	3.31%	N/A	3.61%
Class AX Distribution QF (SGD Hedged) Note 69 (Inception date : 14/1/2021)	5.91%	7.50%	3.31%	N/A	3.62%
Class A Distribution MFC (CNH Hedged) Note 69 (Inception Date: 06/06/2018)	5.94%	6.87%	3.16%	N/A	4.81%
Class A Distribution MF (EUR Hedged) Note 69 (Inception Date: 06/06/2018)	6.47%	7.62%	2.69%	N/A	3.20%
Class A Distribution MFC (AUD Hedged) Note 69 (Inception Date: 06/06/2018)	8.30%	8.75%	3.77%	N/A	4.44%
SISF Multi-Asset Growth and Income Note 78					
Class A Accumulation (USD) (Inception Date: 11/03/2015)	17.78%	14.16%	5.50%	6.25%	4.97%
Class A Distribution MF (USD) (Inception Date: 09/12/2015)	17.77%	14.16%	5.50%	6.27%	5.79%
Class A Distribution MF2 (USD) (Inception Date: 14/11/2018)	17.78%	14.16%	5.50%	N/A	7.55%
Class A Distribution MF4 (USD) (Inception Date: 21/05/2025)	17.79%	N/A	N/A	N/A	19.98%
Class V Distribution (USD) (Inception Date: 18/05/2026)	N/A	N/A	N/A	N/A	1.72%
Class A Accumulation (SGD Hedged) (Inception Date: 21/5/2025)	14.26%	N/A	N/A	N/A	16.48%
Class A Distribution MF2 (SGD Hedged) (Inception Date: 14/11/2018)	14.28%	11.51%	3.68%	N/A	6.07%
Class A Distribution MF3 (SGD Hedged) (Inception Date: 21/5/2025)	14.26%	N/A	N/A	N/A	16.49%
Class V Distribution (SGD Hedged) (Inception Date: 18/05/2026)	N/A	N/A	N/A	N/A	1.46%
Class A Distribution MF3 (AUD Hedged) (Inception Date: 21/5/2025)	16.85%	N/A	N/A	N/A	19.03%
Class A Distribution MFC (AUD Hedged) (Inception Date: 17/07/2026)	Share Class has not been incepted for at least one year as at 30 June 2026 and therefore a performance track record of at least one year is not available				
Class A Accumulation (EUR Hedged) (Inception Date: 16/7/2014)	14.88%	11.73%	3.16%	3.90%	3.20%

Share Class (Reference Currency) / Benchmark	Total Return	Average Annual Compounded Return			
	1 year	3 years	5 years	10 years	Since Inception
Class A Distribution MF2 (EUR Hedged) (Inception Date: 21/5/2025)	14.65%	N/A	N/A	N/A	16.83%
Class A Distribution QF (EUR Hedged) (Inception Date: 17/07/2026)	Share Class has not been incepted for at least one year as at 30 June 2026 and therefore a performance track record of at least one year is not available				
Class C Distribution QV (EUR Hedged) (Inception Date: 14/02/2018)	18.96%	13.48%	4.37%	N/A	5.15%
Money Market Funds					
SISF US Dollar Liquidity Note 75					
Class A Accumulation (USD) (Inception Date: 21/09/2001)	3.72%	4.49%	3.25%	2.12%	1.05%
Class A1 Accumulation (USD) (Inception Date: 21/09/2001)	3.72%	4.49%	3.25%	2.12%	0.92%
Class C Accumulation (USD) (Inception Date: 21/09/2001)	3.74%	4.52%	3.27%	2.14%	1.18%
ICE BofA US Treasury Bill (0-3m) Index (USD)	3.95%	4.71%	3.59%	2.48%	1.95%
Class A Accumulation (SGD Hedged) (Inception Date: 18/12/2024)	0.83%	N/A	N/A	N/A	1.27%
Asset Allocation Funds					
SISF Commodity					
Class A Accumulation (USD) (Inception Date: 22/02/2021)	22.67%	9.63%	6.97%	N/A	7.81%
Class C Accumulation (USD) (Inception Date: 22/02/2021)	28.53%	11.76%	8.46%	N/A	9.27%
Bloomberg Commodity Total Return Index (USD)	25.46%	11.69%	9.37%	N/A	10.51%
Class A Accumulation (EUR Hedged) (Inception Date: 07/12/2021)	20.03%	7.43%	N/A	N/A	5.41%
Bloomberg Commodity Total Return Index (EUR Hedged)*	N/A	N/A	N/A	N/A	N/A

Source: Schroders/Calculation of returns: Single Pricing. The performance figures for A, AX, C and F Shares take into account the relevant Initial Charge. Performance calculations are based on the assumption that dividends are re-invested (taking into account all charges payable upon such reinvestment), save for V Shares as dividends payable on V Shares cannot be re-invested, and are calculated by reference to the currency of denomination of the relevant Shares. The performance of the benchmark since inception disclosed for each Share Class is calculated with reference to the inception date of the Class A Shares in the relevant currency denomination which was launched the earliest or (where no Class A Shares in the relevant currency denomination has been launched) the inception date of the Class AX, C, F Shares (as the case may be) in the relevant currency denomination which was launched the earliest.

Where a Sub-Fund has a target benchmark and/or a comparator benchmark, the following applies unless otherwise stated in the notes below. The Investment Manager may invest in companies or sectors not included in the target or comparator benchmarks in order to take advantage of specific investment opportunities.

Notes:

1. The performance of the SGD Hedged and CHF Hedged denominated Share Classes of the SISF EURO Equity will not be measured against any benchmark as there are no SGD Hedged and CHF Hedged versions of the MSCI European Monetary Union (Net TR).
2. The benchmark of the SISF Japanese Equity was changed from the Tokyo Stock Exchange 1st Section Index (TOPIX) (TR) to the Tokyo Stock Exchange 1st Section Index (TOPIX) (Net TR) on 5 May 2021 to better reflect the actual after tax returns of the Sub-Fund. The benchmark was subsequently renamed to Tokyo Stock Price Index Net TR. You should note that the performance information in respect of the benchmark is in respect of the former benchmark and will be chainlinked to the new benchmark. As a result, since inception performance figures in respect of the new benchmark are not available.
3. The benchmark of the SISF Asian Opportunities was changed from MSCI AC FE Free ex Japan Gross (TR) to MSCI AC Asia ex Japan Gross (TR) on 1 September 2005 as the latter benchmark explicitly includes an allocation to the Indian market. The benchmark was subsequently changed from MSCI AC Asia ex Japan Gross (TR) to MSCI AC Asia ex Japan (Net TR) on 2 April 2013 as the latter benchmark provides a fairer comparison between the Sub-Fund (which is reported net of expenses) and the benchmark (which is reported net of tax). The since inception figures are not available for the benchmark of the Share Classes for SISF Asian Opportunities as the benchmark started after 23 February 2007.
4. The since inception figures are not available for the benchmark of the Share Classes for SISF Swiss Equity as the current benchmark was not in use for the entire period since the inception of the Share Classes.
5. The benchmark of the SISF Global Equity was changed from MSCI World (Net TR) Index to MSCI All Country (AC) World (Net TR) on 5 May 2021 as the Sub-Fund's old benchmark was focused only on developed markets, which is an outdated view of global equity investment opportunities. By contrast, the new benchmark includes holdings from 23 developed and 26 emerging markets, which the Investment Manager believes better represents the Sub-Fund's investment strategy. You should note that the performance information in respect of the benchmark is in respect of the former benchmark and will be chainlinked to the new benchmark.
6. The since inception (02/08/1993) figures are not available for the benchmark of the USD denominated Share Classes for SISF US Large Cap as the benchmark started after 2 August 1993. With effect from 4 July 2025, the benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Sub-Fund. With effect from 4 May 2026, the benchmark was changed from the Standard & Poor's 500 (Net TR) Lagged index to the Standard & Poor's 500 (Net TR) index, following a change in the valuation point of the SISF US Large Cap.
7. Prior to 29 October 2021, the performance of SISF Asian Dividend Maximiser should be assessed against the income target of 7% per year, and compared against the MSCI AC Asia Pacific ex Japan (Net TR) index. With effect from 29 October 2021, the performance of SISF Asian Dividend Maximiser should be assessed against the income target of 7% per year, and compared against the MSCI AC Pacific ex Japan (Net TR) index and the MSCI AC Pacific ex Japan High Dividend Yield (Net TR) index as the Investment Manager believes that the benchmarks are a suitable comparison for performance purposes given

the Sub-Fund's investment objective and policy. The foregoing indices are only included for comparison purposes and do not determine how the Investment Manager invests the Sub-Fund's assets. The Sub-Fund's investment universe is expected to overlap materially with the components of these indices. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the MSCI AC Asia Pacific ex Japan (Net TR) index (and with effect from 29 October 2021, the MSCI AC Pacific ex Japan (Net TR) index and the MSCI AC Pacific ex Japan High Dividend Yield (Net TR) index). You should note that the performance information in respect of the benchmark is in respect of the current benchmark and will be chainlinked to the new benchmark. ***You should note that the reference to income target or income target rate to be achieved by the Sub-Fund is its investment objective, and is not and should not be interpreted to be a prediction, projection or forecast of the future performance of the Sub-Fund. It is not indicative of the future or likely performance of the Sub-Fund.***

8. The benchmark of the SISF Asian Equity Yield was changed from MSCI AC Pacific ex Japan Gross TR to MSCI AC Pacific ex Japan (Net TR) on 2 April 2013 as the latter benchmark provides a fairer comparison between the Sub-Fund (which is reported net of expenses) and the benchmark (which is reported net of tax). The benchmark of the Sub-Fund was further changed to the MSCI AC Asia Pacific ex Japan (Net TR) index on 1 May 2021 as the MSCI AC Asia Pacific ex Japan (Net TR) index is more representative of the type of investments in which the Sub-Fund is likely to invest in.
9. The benchmark of the SISF BIC (Brazil, India, China) was changed to MSCI BRIC (Net TR) on 15 November 2006. When the Sub-Fund was incepted, the MSCI BRIC (Net TR) did not exist. The benchmark of the SISF BIC (Brazil, India, China) was further changed to the MSCI BIC (Net TR) 10/40 index (formerly known as the MSCI BRIC (Net TR) 10/40 index) on 5 May 2021 to better reflect the actual after tax returns of the Sub-Fund. You should note that the performance information in respect of the benchmark is in respect of the former benchmark and will be chainlinked to the new benchmark.
10. Due to investment restrictions imposed on the SISF Emerging Asia by the Taiwanese authorities in relation to investments in China, the percentage of the Sub-Fund that can be invested in China-related stocks is restricted. These limits may be amended from time to time by the Taiwanese authorities. The benchmark has thus been changed from MSCI EM Asia Gross (TR) to MSCI AC Asia ex Japan (with China capped at 10%) with effect from 1 November 2007 to reflect these restrictions. The benchmark was subsequently changed from MSCI AC Asia ex Japan to MSCI Emerging Markets Asia (Net TR) with effect from 1 September 2008 as the latter index better reflects the investment objective of the Sub-Fund.
11. The performance of the Share Class of the SISF Emerging Asia will not be measured against any benchmark as there is no version of the MSCI Emerging Markets Asia (Net TR) in the Reference Currency of the Share Class.
12. Prior to 21 September 2023, the benchmark of the SISF Emerging Europe has been changed from MSCI EM Europe 10/40 Gross (TR) to MSCI Emerging Markets Europe 10/40 (Net TR) with effect from 1 July 2007. The Gross index assumes no tax is paid at all, whereas the Net index assumes reinvestment of dividends after the deduction of withholding tax. As this Sub-Fund may pay withholding tax in certain countries, the Net index is a more accurate comparison. With effect from 21 September 2023, the SISF Emerging Europe will not have a target benchmark. The Sub-Fund's performance should be compared against its comparator benchmark, being the MSCI EFM Europe + CIS (E+C) Index (Net TR). The Sub-Fund's investment universe is expected to overlap materially,

directly or indirectly, with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The comparator benchmark has been selected because it is representative of the type of investments in which the Sub-Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Sub-Fund aims to provide. **As a result of the unprecedented geo-political situation caused by Russia's invasion of the Ukraine and the resultant impact of sanctions and the actions of governments, stock exchanges and counterparties on the value and liquidity of Russian securities, dealing in shares of this Sub-Fund was suspended from 25 February 2022 to 17 July 2022. The suspension of calculation of the Net Asset Value and dealing in shares of this Sub-Fund has been lifted with effect from 18 July 2022. For the avoidance of doubt, the suspension has only been lifted in relation to the existing share classes of the Sub-Fund (and not the New Classes referenced in the footnote denoted by '*' at paragraph 2.2 of the Singapore Prospectus). The suspension has been notified to the CSSF on 28 February 2022, and to the Authority on 1 March 2022.** You may contact the Singapore Representative at the contact detail in paragraph 20 of this Singapore Prospectus for more details.

13. The benchmark of the SISF Emerging Markets was changed from MSCI EMF Gross (TR) to MSCI Emerging Markets (Net TR) with effect from 1 July 2007. The Gross index assumes no tax is paid at all, whereas the Net index assumes reinvestment of dividends after the deduction of withholding tax. As this Sub-Fund may pay withholding tax in certain countries, the Net index is a more accurate comparison. The benchmark was subsequently changed to MSCI Emerging Markets 10/40 (Net TR) with effect from 23 December 2025 to better reflect UCITS concentration limits, providing a better assessment against the performance of the SISF Emerging Markets. You should note that the performance information in respect of the benchmark is in respect of the former benchmark and will be chainlinked to the new benchmark.
14. The performance of the SISF European Dividend Maximiser should be assessed against the income target of 7% per year, and compared against the MSCI Europe (Net TR) index and the Morning star Europe Equity Income Category. The foregoing indices are only included for comparison purposes and do not determine how the Investment Manager invests the Sub-Fund's assets. In relation to the MSCI Europe (Net TR) index, the Sub-Fund's investment universe is expected to overlap materially with the components of this index. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the MSCI Europe (Net TR) index. ***You should note that the reference to income target or income target rate to be achieved by the Sub-Fund is its investment objective, and is not and should not be interpreted to be a prediction, projection or forecast of the future performance of the Sub-Fund. It is not indicative of the future or likely performance of the Sub-Fund.***
15. The SISF Dynamic Income does not have a target benchmark. The Sub-Fund's income and volatility should be compared against 60% MSCI AC World Index (USD), 40% Bloomberg Global Aggregate USD. The comparator benchmark is only included for income and volatility comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Sub-Fund's investment universe is expected to have limited overlap with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the comparator

benchmark. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for income and volatility purposes given the Sub-Fund's investment objective and policy. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Sub-Fund.

16. The benchmark has been changed from Salomon SB EMI Europe GDP Wtd Grs (Total Return) to HSBC European Smaller (TR) (known as Euromoney Smaller Companies (TR) as at 31/03/03 and now known as EMIX European Smaller Companies (TR) index) as the latter index better reflects the investment objective of the SISF European Smaller Companies. With effect from 1 August 2023, the target benchmark of the SISF European Smaller Companies was changed from EMIX European Smaller Companies (TR) index to MSCI Europe Small Cap (NDR) index as the former benchmark had ceased on 31 July 2023. The new target benchmark is a like-for-like replacement and there will be no changes to the Sub-Fund as a result of its use.
17. The benchmark of the SISF Frontier Markets Equity was changed from MSCI Frontier Markets (Net TR) to MSCI Frontier Emerging Markets (FEM) Index (Net TR) with emerging markets capped at 10% with effect from 31 July 2021 as it is a more appropriate benchmark for the Sub-Fund in light of the Sub-Fund's investment policy. You should note that the performance information in respect of the benchmark is in respect of the former benchmark and will be chainlinked to the current benchmark.
18. The SISF Global Climate Change Equity does not have a target benchmark. The Sub-Fund's performance should be compared against the MSCI All Country World (Net TR) index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Sub-Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the comparator benchmark. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy. The benchmark was changed from MSCI World (Net TR) index to MSCI All Country World (Net TR) index on 5 May 2021 because the Investment Manager believes that the new benchmark includes equities from emerging markets and is a better representation of the Sub-Fund's investment strategy. You should note that the performance information in respect of the benchmark is in respect of the former benchmark and will be chainlinked to the new benchmark.
19. The benchmark of SISF Global Emerging Market Opportunities was changed from MSCI Emerging Markets (Net TR) to MSCI Emerging Markets 10/40 (Net TR) with effect from 23 December 2025 to better reflect UCITS concentration limits, providing a better assessment against the performance of the SISF Emerging Markets.
20. The MSCI World Energy (Net TR) was chain linked with the MSCI AC World Energy on 31/12/2008. Hence, the since inception (30/06/06) figures for the benchmark of SISF Global Energy are not available. With effect from 18 January 2021, the benchmark was changed from the MSCI World Energy (Net TR) index to the MSCI World SMID Energy index to better reflect the investment strategy of the SISF Global Energy. With effect from 5 November 2026, the target benchmark will be changed from the MSCI World SMID Energy index to MSCI World Energy index to reflect the change in the investment policy of the Sub-Fund. The Sub-Fund's performance should be assessed against its target benchmark being to exceed the MSCI World Energy index and compared against the MSCI

World SMID Energy index. The Sub-Fund's investment universe is expected to overlap materially with the components of the target and comparator benchmarks. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the target and comparator benchmarks. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets.

21. The performance of SISF Global Dividend Maximiser should be assessed against the income target of 7% per year, and compared against the MSCI World (Net TR) index, MSCI World Value (Net TR) index and Morningstar Global Equity Income Category. Benchmark performance figures for the MSCI AC World Value (Net TR) index are not provided as the Investment Manager believes that the MSCI World (Net TR) index is a more appropriate comparison for performance purposes given the Sub-Fund's investment objective and policy. The foregoing indices are only included for comparison purposes and do not determine how the Investment Manager invests the Sub-Fund's assets. In relation to the MSCI World (Net TR) index and MSCI World Value (Net TR) index, the Sub-Fund's investment universe is expected to overlap materially with the components of these indices. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the MSCI World (Net TR) index and the MSCI World Value (Net TR) index. ***You should note that the reference to income target or income target rate to be achieved by the Sub-Fund is its investment objective, and is not and should not be interpreted to be a prediction, projection or forecast of the future performance of the Sub-Fund. It is not indicative of the future or likely performance of the Sub-Fund.***
22. The benchmark for the SISF Global Gold was changed from the FTSE Gold Mines index to FTSE Gold Mines UCITS capped index with effect from 14 March 2024 as the new target benchmark factors in UCITs limits and is a better target benchmark against which to assess the Sub-Fund's performance.
23. There is no benchmark for these Share Classes of the SISF Global Gold as there is no version of FTSE Gold Mines UCITS capped Index in the Reference Currency of the Share Class.
24. With effect from 16 November 2020, the benchmark of the SISF Global Cities, the US Consumer Price index plus 3%, was introduced following the enhancement of disclosures on benchmarks as a result of regulatory guidance. The benchmark of this Sub-Fund is used for financial performance measurement only. Prior to 16 November 2020, the Sub-Fund was not managed against a benchmark. The benchmark of the SISF Global Cities was further changed from the US Consumer Price index plus 3% to the FTSE EPRA NAREIT Developed index (Net TR, USD) with effect from 21 June 2021 as the latter is representative of the type of investments in which the Sub-Fund is likely to invest in. You should note that the performance information in respect of the benchmark is in respect of the former benchmark and will be chainlinked to the new benchmark.
25. The SISF Global Innovation does not have a target benchmark. The Sub-Fund's performance should be compared against MSCI AC World (Net TR) index. The comparator benchmark is included only for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Sub-Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the comparator benchmark. The comparator benchmark has been selected because

the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy.

26. The SISF Global Alternative Energy does not have a target benchmark. The Sub-Fund's performance should be compared against the MSCI Global Alternative Energy (Net TR) index and the MSCI AC World (Net TR) index. Benchmark performance figures for the MSCI AC World (Net TR) index are not provided as the Investment Manager believes that the MSCI Global Alternative Energy (Net TR) index is a more appropriate comparison for performance purposes given the Sub-Fund's investment objective and policy. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Sub-Fund's assets. The Sub-Fund's investment universe is expected to overlap to a limited extent with the components of the comparator benchmarks. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the comparator benchmarks. Any comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy.
27. The benchmark of the SISF Global Smaller Companies was changed from S&P / Citi EMI World to S&P Developed Small Cap (Gross TR) as at 1/10/08 due to a rebranding of the S&P/Citigroup Global Equity Indices to S&P Global Equity Indices to reflect the integration and enhancement of the series within the S&P index family and the replacement of EMI by the new S&P SmallCap index, representing the bottom 15% of the cumulative available capital, in response to investor desire for a small cap index that better represents the market and avoids including large stocks within the index. The benchmark of the SISF Global Smaller Companies was further changed to the S&P Developed Small Cap (Net TR) on 5 May 2021 to better reflect the actual after tax returns of the Sub-Fund. You should note that the performance information in respect of the benchmark is in respect of the former benchmark and will be chainlinked to the new benchmark.
28. The SISF Global Sustainable Growth does not have a target benchmark. The Sub-Fund's performance should be compared against the MSCI AC World (Net TR) index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Sub-Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the comparator benchmark. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy.
29. The benchmark was changed from MSCI Golden Dragon Index to MSCI Golden Dragon Index (Net TR) on 2 April 2013 as the latter benchmark provides a fairer comparison between the SISF Greater China (which is reported net of expenses) and the benchmark (which is reported net of tax). The since inception performance of the benchmark of the USD denominated Share Class is not available as the benchmark started after 28 March 2002.
30. The assets of the SISF Greater China were transferred from Schroder China Dragon Unit Trust. Prior to August 2002, the SISF Greater China uses the track record of the Schroder China Dragon Unit Trust back to the original launch date in 1997.

31. The SISF Healthcare Innovation does not have a target benchmark. The Sub-Fund's performance should be compared against its comparator benchmarks, being the MSCI AC World (Net TR) index and (with effect from 23 December 2025) the MSCI AC World Health Care Daily (Net TR) Index. The comparator benchmarks are included only for performance comparison purposes and do not determine how the Investment Manager invests the Sub-Fund's assets. The Sub-Fund's investment universe is expected to overlap to a limited extent with the components of the MSCI AC World (Net TR) index and materially with the components of the MSCI AC World Health Care Daily (Net TR) Index. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the comparator benchmarks. The comparator benchmarks have been selected because the Investment Manager believes that the benchmarks are suitable comparisons for performance purposes given the Sub-Fund's investment objective and policy.
32. The assets of the SISF Hong Kong Equity were transferred from Schroder Hong Kong Equity. Prior to 9 August 2002, the SISF Hong Kong Equity uses the track record of the Schroder Hong Kong Equity back to the original launch date in 1988.
33. The benchmark of the SISF Hong Kong Equity was changed from 90% FTSE AW HK – Hong Kong, 10% HSBC to 90% FTSE AW HK - Hong Kong Net, 10% HSBC on 2 April 2013 as the latter benchmark provides a fairer comparison between the Sub-Fund (which is reported net of expenses) and the benchmark (which is reported net of tax). With effect from 3 July 2017, the benchmark was changed from 90% FTSE AW HK - Hong Kong Net, 10% HSBC to FTSE Hong Kong (Net TR) as the new benchmark facilitates transparency and easy comparison for investors. The since inception (09/08/2002) performance of the benchmark of the HKD denominated Share Class is not available as the benchmark started after 9 August 2002. With effect from 30 March 2026, the benchmark will be changed from the FTSE Hong Kong (Net TR) index to the FTSE MPF Hong Kong Index as the new benchmark is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy.
34. The benchmark of the SISF Japanese Opportunities was changed from the FTSE Japan to Tokyo Stock Exchange 1st Section Index (TOPIX) (TR) on 29/3/2012 to reflect the change in the Sub-Fund's investment strategy from large cap only to all cap. The benchmark of the SISF Japanese Opportunities was further changed to Tokyo Stock Exchange 1st Section Index (TOPIX) (Net TR) on 5 May 2021 to better reflect the actual after tax returns of the Sub-Fund. The benchmark was subsequently renamed from Tokyo Stock Exchange 1st Section Index (TOPIX) (Net TR) to Tokyo Stock Price Index Net TR. You should note that the performance information in respect of the benchmark is in respect of the former benchmarks and will be chainlinked to the new benchmark.
35. The benchmark of the SISF Japanese Smaller Companies was changed from the Russell Nomura Small Cap (TR) to the Russell Nomura Small Cap (Net TR) on 5 May 2021 to better reflect the actual after tax returns of the Sub-Fund. You should note that the performance information in respect of the benchmark is in respect of the former benchmark and will be chainlinked to the new benchmark. As a result, since inception performance figures in respect of the new benchmark are not available.
36. The benchmark of SISF Latin American has been changed from MSCI EM Latin America Gross (TR) to MSCI EM Latin America Net (TR) with effect from 1 July 2007. The Gross index assumes no tax is paid at all, whereas the Net index assumes reinvestment of dividends after the deduction of withholding tax. As this Sub-Fund may pay withholding tax in certain countries, the Net index is a more accurate comparison. With effect from 1 January 2008, the benchmark has been changed from MSCI EM Latin America Net (TR)

to MSCI Emerging Markets Latin America 10/40 (Net TR), to take into account the Sub-Fund's investment restrictions as imposed by UCITS regulations.

37. SISF Robotics and Automation does not have a target benchmark. The Sub-Fund's performance should be compared against the MSCI AC World (Net TR) index. The comparator benchmark is included only for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Sub-Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the comparator benchmark. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy.
38. The benchmark for the SISF US Small & Mid-Cap Equity was changed from Russell 2500 Lagged (TR) to Russell 2500 Lagged (Net TR) on 5 May 2021 to better reflect the actual after tax returns of the Sub-Fund. You should note that the performance information in respect of the benchmark is in respect of the former benchmark and will be chainlinked to the new benchmark. As a result, since inception performance figures in respect of the new benchmark are not available.
39. The benchmark for the SISF US Smaller Companies Impact was changed from Russell 2000 Lagged (Gross TR) to Russell 2000 Lagged (Net TR) on 5 May 2021 to better reflect the actual after tax returns of the Sub-Fund. The benchmark of this Sub-Fund is used for financial performance measurement only. The Sub-Fund's performance should be assessed against its target benchmark being to exceed the Russell 2000 Lagged (Net TR) index and compared against the Morningstar US Small-Cap Equity Category. The Sub-Fund's investment universe is expected to overlap materially with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the target benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Sub-Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Sub-Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that it is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy. You should note that the performance information in respect of the benchmark is in respect of the former benchmark and will be chainlinked to the new benchmark.
40. The benchmark of the SISF Asian Total Return has been changed from BBA LIBOR USD 3 Month Act 360 to the reference benchmark of MSCI AC Asia Pacific ex Japan (Net TR) Index with effect from 1 July 2009 in conjunction with the removal of the Sub-Fund's performance fee. The new reference benchmark reflects the relevant investment universe of Asian Pacific ex Japan companies, and the investment approach as well as objectives of the Sub-Fund.
41. As at the date of this Singapore Prospectus, A Accumulation Shares (USD) and A Distribution Shares (SGD) of SISF Asian Total Return are closed to subscriptions as well as switching into. You may contact the Singapore Representative or the relevant distributors on the availability of the Share Classes.

42. The benchmark of the SISF China Opportunities was changed from MSCI TR China Gross to MSCI China (Net TR) index on 2 April 2013 as the latter benchmark provides a fairer comparison between the Sub-Fund (which is reported net of expenses) and the benchmark (which is reported net of tax).
43. With effect from 29 February 2016, the MSCI AC World (Net TR), which includes emerging markets, replaced the MSCI World – Net Return as the primary index used for reference purposes. The rationale for the change is to present the performance of the SISF QEP Global Active Value to investors in the clearest and most representative manner.
44. With effect from 1 October 2008, the benchmark of the SISF QEP Global Core was changed from MSCI World Market Cap Weighted to MSCI World (Net TR) as the new benchmark is more aligned with the investment strategy of the Sub-Fund.
45. With effect from 29 February 2016, the MSCI AC World (Net TR), which includes emerging markets, replaced the MSCI World – Net Return as the primary index used for reference purposes. The rationale for the change is to present the performance of the SISF QEP Global Quality to investors in the clearest and most representative manner.
46. Prior to 21 September 2023, the performance of the SISF Emerging Markets Debt Total Return was assessed against its objective of providing a positive return over a 12-month period in all market conditions. With effect from 21 September 2023, the SISF Emerging Markets Debt Total Return will not have a target benchmark. The Sub-Fund's performance should be compared against 50% JPM GBI-EM Diversified Index and 50% JPM EMBI Diversified Index. The comparator is only included for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Sub-Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy. ***You should note that the Sub-Fund seeks to achieve an absolute return, thus the foregoing or the reference to any benchmark is not and should not be interpreted as a benchmark against which the Sub-Fund's performance is or will be measured against.***
47. With effect from 1 March 2018, the benchmark for the SISF EURO Short Term Bond was changed from the Citi EMU Gov Bond 1-3y EUR TR to the Bloomberg Euro Aggregate (1-3 Y) index because the yield on a Euro Government Bond Index 1-3 Year is negative due to the monetary policy conducted by the European Central Bank (negative deposit rate) and its Asset Purchase Programme. Therefore, the Investment Manager had determined that the benchmark for the Sub-Fund should be changed to an aggregate bond index 1-3 year.
48. The since inception (17/03/1998) figures are not available for the benchmark of the EUR denominated Share Classes for SISF EURO Short Term Bond as the benchmark started after 17 March 1998.
49. With effect from 1 January 2009, the benchmark for the SISF EURO Government Bond was changed from Citi European WGBI (Total Return) to Bank of America Merrill Lynch EMU Direct Government Index (now known as ICE BofA Euro Government Index) to reflect the change in the investment objective of the Sub-Fund. The full track record of the previous benchmark has been kept and chain linked to the current benchmark.
50. With effect from 1 January 2007, the benchmark for the SISF Global Inflation Linked Bond was changed from Barclays Capital Global Inflation-Linked Bond Index to Merrill Lynch Global Governments Inflation-Linked (now known as ICE BofA Global Governments

Inflation-Linked) as the new benchmark provides improved analytics for the risk systems and provides improved performance attribution.

51. The benchmark for the SISF US Dollar Bond has been changed from Lehman Brothers US Aggregate Bond Index to Barclays Capital US Aggregate Bond Index (subsequently renamed to Barclays US Aggregate Bond Index and now known as Bloomberg US Aggregate Bond (TR) Index) with effect from June 2000. As part of a re-branding exercise carried out by Barclays Capital to re-brand its unified family of indices under the "Barclays Capital Indices" name, the names of existing Lehman Brothers indices were changed from "Lehman Brothers" to "Barclays Capital".
52. In August 2001, the benchmark for the SISF Global Bond was changed from Salomon Smith Barney WGBI Gross to the Barclays Capital Global Aggregate Bond Index (subsequently renamed to Barclays Global Aggregate Bond Index and now known as Bloomberg Global Aggregate Bond Index) in order to better reflect the investment universe of the Sub-Fund. The full track record of the previous benchmark has been kept and chainlinked to the new one.
53. The performance of the EUR Hedged denominated Share Class of the SISF Asian Credit Opportunities will not be measured against any benchmark as there is no EUR Hedged version of the JP Morgan Asia Credit index.
54. With effect from 1 January 2007, the benchmark was changed from Lehman EURO Aggregate Credit Index to Merrill Lynch Euro Corporate Bond Index (renamed to Bank of America Merrill Lynch EMU Corporate Index and now known as ICE BofA Euro Corporate Index) as the new benchmark is representative of the type of investments in which the Sub-Fund is likely to invest in.
55. On 01/07/2002 SISF Hedged Global Bond changed its name to SISF Global Corporate Bond and changed its investment objective. The performance track record begins at this date. In July 2002, the benchmark for the SISF Global Corporate Bond changed from Salomon Smith Barney Currency Hedged WGBI to the Lehman Brothers Global Aggregate - Credit Component USD Hedged (subsequently renamed to Barclays Capital Global Aggregate – Credit Component USD Hedged, then to Barclays Global Aggregate - Credit Component USD Hedged, then to Bloomberg Global Aggregate - Credit Component USD Hedged and now known as Bloomberg Global Aggregate – Corporate index Hedged to USD). The full track record of the previous benchmark has been removed and replaced with the new one. The change in the benchmark was due to the change in the Sub-Fund's investment objective in July 2002 and as the new benchmark is representative of the type of investments in which the Sub-Fund is likely to invest in.
56. The benchmark for the SISF Global High Yield has been changed from Lehman Brothers Global High Yield Corp. 2% Cap to Barclays Capital Global High Yield Corp. 2% Cap (subsequently renamed to Barclays Global High Yield ex CMBS ex EMG 2% Cap Index and now known as Bloomberg Global HYxCMBSxEMG index 2% cap) with effect from 6 November 2008. As part of a re-branding exercise carried out by Barclays Capital to re-brand its unified family of indices under the "Barclays Capital Indices" name, the names of existing Lehman Brothers indices were changed from "Lehman Brothers" to "Barclays Capital". The benchmark was changed from Lehman Brothers Global High Yield Corporate Index to Lehman Brothers Global High Yield Corp. 2% Cap on 1 August 2005 as the new benchmark reduces the pressure on the Investment Manager of having to take an unusually large exposure in a single issuer, allows for the possibility of strategic overweights in issuers above the benchmark weight without forcing an imprudently large position in the largest issuers in the benchmark, and reduces tracking error in a situation where investors would most likely not want the Investment Manager to take greater

exposure to merely track the index. The full track record of the previous benchmark has been kept and chain linked to the new benchmark.

57. The Sub-Fund's performance should be assessed against its target benchmark being to exceed the ICE BofA 3 Month US Treasury Bill Index and compared against the Bloomberg Multiverse ex Treasury A+ to B- USD Hedged Index. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the target benchmark. The Sub-Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the comparator benchmark. The target benchmark has been selected because the target return of the Sub-Fund is to deliver the return of that benchmark as stated in the investment objective of the Sub-Fund. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy.
58. In December 2009, the HSBC Asian Local Bond Index (ex-China, ex-India) replaced the iBoxx Asia Custom Index in order to align the SISF Asian Local Currency Bond with other local currency bond mandates and as the China and India markets were generally inaccessible by the Sub-Fund. The full track record of the previous index has been kept and chainlinked to the new one. In September 2011, the HSBC Asian Local Bond – Overall replaced the HSBC Asian Local Bond Index (ex-China, ex-India) as the HSBC Asian Local Bond – Overall is more representative of the Sub-Fund's investment policy and is more commonly used as a benchmark for the Asian local currency bond market. The full track record of the previous index has been kept and chainlinked to the new one. With effect from 1 April 2016, the benchmark was changed from HSBC Asian Local Bond – Overall to iBoxx Asian Local Currency Bond Index as the index provider of HSBC Asian Local Bond – Overall has retired from its index provider business and iBoxx Asian Local Currency Bond Index has been identified as a suitable replacement benchmark for the Sub-Fund.
59. The SISF Global Credit High Income does not have a target benchmark. The Sub-Fund was no longer managed against the Global High Income Bond Composite Benchmark with effect from 26 February 2020 due to the change in the Sub-Fund's investment objective and policy. The Sub-Fund's performance should be compared against the Bloomberg Multiverse ex Treasury BBB+ to CCC+ USD, EUR, GBP index, the Bloomberg Global High Yield USD index and the JP Morgan EMBI Global Total Return index. Benchmark performance figures for the Bloomberg Global High Yield USD index and the JP Morgan EMBI Global Total Return index are not provided as the Investment Manager believes that the Bloomberg Multiverse ex Treasury BBB+ to CCC+ USD, EUR, GBP index is a more appropriate comparison for performance purposes given the Sub-Fund's investment objective and policy. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Sub-Fund's assets. The Sub-Fund's investment universe is expected to overlap to a limited extent with the components of the comparator benchmarks. However, the Sub-Fund will likely reflect certain features of the comparator benchmark (namely credit quality / duration, currency exposure / exposure to particular issuers). The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the comparator benchmarks.

60. Performance figures for this benchmark have not been provided for all corresponding years for which performance data for the USD denominated Share Classes for SISF Global Credit High Income is provided, as the Sub-Fund's investment objective and approach was changed on 26 February 2020 and the historical performance of this benchmark (up to 26 February 2020) is not reflective of the Sub-Fund's previous investment policy and approach.
61. The name of the benchmark for SISF Asian Convertible Bond has been changed from Thomson Reuters Asia ex Japan Hedged Convertible Bond (USD) to FTSE Asia ex Japan Hedged Convertible Bond (USD) with effect from 26 June 2024.
62. The name of the benchmark for SISF Global Convertible Bond has been changed from Thomson Reuters Global Focus Hedged Convertible Bond (USD) to FTSE Global Focus Hedged Convertible Bond (USD) with effect from 26 June 2024.
63. The SISF Global Credit Income does not have a target benchmark. The Sub-Fund's performance should be compared against the Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index, the Bloomberg Global Aggregate Corporate USD index, the Bloomberg Global High Yield USD index and the JP Morgan EMBI Global Target Return index. Benchmark performance figures for the Bloomberg Global Aggregate Corporate USD index, the Bloomberg Global High Yield USD index and the JP Morgan EMBI Global Target Return index are not provided as the Investment Manager believes that the Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index is a more appropriate comparison for performance purposes given the Sub-Fund's investment objective and policy. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Sub-Fund's assets. The Sub-Fund's investment universe is expected to overlap materially with the components of the comparator benchmarks. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the comparator benchmarks.
64. The SISF Asian Bond Total Return does not have a target benchmark. The Sub-Fund's performance should be compared against 50% Markit iBoxx Asian Local Currency index + 50% JP Morgan Asian Credit index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Sub-Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the comparator benchmark. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy. Prior to 1 March 2018, the SISF Asian Bond Total Return was an absolute return fund and was not constrained by benchmark index weightings. The USD LIBOR 3 Months (for USD denominated Share Classes), EUR LIBOR 3 Months (for EUR Hedged denominated Share Classes) and USDSGD 3 Month Offshore Forward Points (for SGD Hedged denominated Share Classes) was used for reference purposes only. With effect from 1 December 2011, the reference benchmark was changed from Citi Treasury/Agency TR to USD LIBOR 3 Months (for USD denominated Share Classes), EUR LIBOR 3 Months (for EUR Hedged denominated Share Classes) and USDSGD 3 Month Offshore Forward Points (for SGD Hedged denominated Share Classes) to bring it in line with the absolute return strategy of the Sub-Fund. The full track record of the previous benchmark has been kept and chainlinked to the new one. With effect from 1 March 2018 and with the re-classification of the Sub-Fund from an absolute return fund to a specialist

bond fund, the reference benchmark was changed from USD LIBOR 3 Months (for USD denominated Share Classes), EUR LIBOR 3 Months (for EUR Hedged denominated Share Classes) and USDSGD 3 Month Offshore Forward Points (for SGD Hedged denominated Share Classes) to 50% Markit iBoxx Asian Local Currency index + 50% JP Morgan Asian Credit index because the new reference benchmark is more aligned with the new investment strategy of the Sub-Fund.

65. Prior to 29 October 2021, the performance of SISF Global Multi-Asset Income should be assessed against its target benchmark, being to provide income of 5% per year and capital growth and the volatility target of 5 – 7% per year. The income and volatility targets have been selected because the Investment Manager deploys strategies that aim to deliver the level of income stated in the Sub-Fund's investment objective. With effect from 29 October 2021 and prior to 8 May 2024, the performance of SISF Global Multi-Asset Income should be assessed against the income target of 3-5% per year, as the Investment Manager will be able to focus on providing a sustainable income stream and generating income in less favourable market conditions. With effect from 8 May 2024, the Sub-Fund does not have a target benchmark. The Sub-Fund's performance and volatility should be compared against 30% MSCI AC World Index (USD), 40% Barclays Global Aggregate Corporate Bond Index (USD) and 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD). The comparator benchmark is included for performance and volatility comparison purposes and does *not* determine how the Investment Manager invests the Sub-Fund's assets. The Sub-Fund's investment universe is expected to have limited overlap with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the comparator benchmark. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for volatility purposes given the Sub-Fund's investment objective and policy. ***Further, you should note that as the Sub-Fund is unconstrained, the reference to any target or benchmark is not and should not be interpreted as a benchmark against which the Sub-Fund's performance is or will be measured against.***
66. Prior to 1 July 2013, the SISF Inflation Plus aimed to achieve an absolute return and was therefore not managed to a specific benchmark. With effect from 1 July 2013 and with the re-classification of the Sub-Fund from an Absolute Return Fund to a Multi-Asset Fund, the benchmark of the Sub-Fund is FTSE EUR 3m Eurodeposit TR. With effect from 19 February 2020, the benchmark has been changed to the Eurozone Harmonized Consumer Price Index following the change in the investment objective of the Sub-Fund. Prior to 19 February 2020, the Sub-Fund was known as SISF Wealth Preservation. Please note that the performance figures relate to the performance of the Eurozone harmonized Consumer Price Index, and is not chainlinked to the performance of the previous benchmarks.
67. The benchmark for the SISF Global Target Return was changed from USD 3 month LIBOR (or an alternative reference rate) plus 5% before fees have been deducted, to ICE BofA 3 Month US Treasury Bill Index plus 5% before fees have been deducted, on 5 May 2021 as the former benchmark is being phased out. The latter benchmark matches the tenor of the former benchmark and is produced by an established vendor. You should note that the performance information in respect of the benchmark is in respect of the former benchmark and will be chainlinked to the new benchmark.
68. There is no reference benchmark for the Share Class of the SISF Global Target Return as there is no version of ICE BofA 3 Month US Treasury Bill Index plus 5% available in the Reference Currency of the Share Class.

69. The SISF Global Sustainable Food and Water does not have a target benchmark. The Sub-Fund's performance should be compared against the MSCI AC World (Net TR) index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Sub-Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the comparator benchmark. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Sub-Fund. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy.
70. The performance of SISF All China Equity should be assessed against its target benchmark being to exceed the MSCI China All Shares Net TR index and compared against the Morningstar China Equity sector. The Sub-Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the target benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Sub-Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Sub-Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy.
71. The performance of SISF China A All Cap should be assessed against its target benchmark being to exceed the MSCI China A Onshore (Net TR) index and compared against the Morningstar China A Shares Category. The Sub-Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the target benchmark. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Sub-Fund. The target benchmark has been selected because it is representative of the type of investments in which the Sub-Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Sub-Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy.
72. The performance of SISF European Sustainable Equity should be assessed against its target benchmark, being to exceed the MSCI Europe (Net TR) index and compared against the Morningstar Europe Large Cap Blend Equity Category. The Sub-Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate

from the target benchmark. The benchmark of this Sub-Fund is used for financial performance measurement only. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Sub-Fund. The target benchmark has been selected because it is representative of the type of investments in which the Sub-Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Sub-Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy.

73. The performance of SISF Global Sustainable Value should be assessed against its target benchmark, being to exceed the MSCI World (Net TR) index and compared against the MSCI World Value (Net TR) index. The Sub-Fund's investment universe is expected to overlap to a limited extent with the components of the target and comparator benchmarks. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the target or comparator benchmarks. The target benchmark has been selected because it is representative of the type of investments in which the Sub-Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Sub-Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy. The benchmark of this Sub-Fund is used for financial performance measurement only. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Sub-Fund.
74. The SISF US Dollar Liquidity does not have a target benchmark. The Sub-Fund's performance should be compared against the ICE BofA US Treasury Bill (0-3m) index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Sub-Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the comparator benchmark. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy.
75. The SISF Indian Equity's performance should be assessed against its target benchmark being to exceed the MSCI India (Net TR) index and compared against the Morningstar India Equity Category. The Sub-Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the target benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Sub-Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Sub-Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance

purposes given the Sub-Fund's investment objective and policy. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Sub-Fund.

76. The SISF QEP Emerging Markets Core's performance should be assessed against its target benchmark, being to exceed the MSCI Emerging Markets (NDR) index. The Sub-Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the target benchmark. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Sub-Fund. The target benchmark has been selected because it is representative of the type of investments in which the Sub-Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Sub-Fund aims to provide. The benchmark was subsequently changed from MSCI Emerging Markets (NDR) to MSCI Emerging Markets 10/40 (NDR) with effect from 23 December 2025 to better reflect UCITS concentration limits, providing a better assessment against the performance of the SISF Emerging Markets. You should note that the performance information in respect of the benchmark is in respect of the former benchmark and will be chainlinked to the new benchmark.
77. The SISF Multi-Asset Growth and Income does not have a target benchmark. The Sub-Fund's performance and volatility should be compared against 30% MSCI AC World Index (USD), 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD), 30% FTSE Convertible Global Focus index (USD) and 10% Barclays Global Aggregate Bond Index (USD). The comparator benchmark is only included for performance and risk comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets. The Sub-Fund's investment universe is expected to have limited overlap with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Sub-Fund's portfolio and performance may deviate from the comparator benchmark. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Sub-Fund's investment objective and policy. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Sub-Fund. ***Further, you should note that as the Sub-Fund is unconstrained, the reference to any target or benchmark is not and should not be interpreted as a benchmark against which the Sub-Fund's performance is or will be measured against.***
78. The SISF Global Equity Income Plus' performance should be assessed against its target benchmark being to provide an income in excess of MSCI All Country World (Net TR) Index. The Sub-Fund's investment universe is expected to overlap materially with the components of the target benchmark.
79. With effect from 7 December 2026, the Sub-Fund's target benchmark will be changed from FTSE All Share Total Return Index to MCSI Europe (Net TR) index to reflect the change in the investment objective and policy of the Sub-Fund. The Sub-Fund's performance should be assessed against its target benchmark being to exceed the MCSI Europe (Net TR) index and compared against the Morningstar Europe Large Cap Blend category. The Sub-Fund's investment universe is expected to overlap materially with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Sub-Fund's assets.

* Performance figures for this benchmark have not been provided as they are not currently available to the Fund.

B. Total Expense Ratios and Turnover Ratios

The expense ratios are calculated in accordance with the Investment Management association of Singapore's (IMAS) guidelines on expense ratio and are based on the latest Sub-Funds' audited accounts unless otherwise stated. The following expenses are excluded from calculating the Sub-Funds' expense ratios:-

- brokerage and other transactions costs associated with the purchase and sales of investments (such as registrar charges and remittance fees);
- foreign exchange gains and losses of the Sub-Fund, whether realised or unrealised;
- front-end loads, back-end loads and other costs arising on the purchase or sale of a foreign unit trust or mutual fund;
- tax deducted at source or arising on income received including withholding tax;
- interest expense; and
- dividends and other distributions paid to Shareholders.

The expense ratio for any Share Class which has been incepted for less than one year is calculated on an annualised basis.

The turnover ratios are calculated based on the lesser of purchases or sales of underlying investments expressed as a percentage of daily average net asset value, over the same period used for calculating the expense ratios.

The total expense ratios and turnover ratios of each of the Sub-Funds for the period 1 January 2025 to 31 December 2025 are:

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
SISF EURO Equity		
Class A Acc EUR	1.83%	78.57%
Class A Dis AV EUR	1.83%	
Class C Acc EUR	1.03%	
Class C Dis AV EUR	1.03%	
Class K1 Acc EUR	0.86%	
Class A Acc USD Hedged	1.86%	
Class C Acc USD Hedged	1.05%	
Class K1 Acc USD Hedged	0.88%	

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
Class A Acc SGD Hedged	1.86%	
Class C Acc CHF Hedged	1.07%	
Class K1 Acc CHF Hedged	0.88%	
SISF Japanese Equity		
Class A Acc JPY	1.58%	43.99%
Class A Dis AV JPY	1.59%	
Class C Acc JPY	1.04%	
Class C Dis AV JPY	1.04%	
Class A Acc USD	1.59%	

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
Class A Acc USD Hedged	1.61%	
Class C Acc USD Hedged	1.02%	
Class I Acc USD Hedged	0.07%	
SISF Asian Opportunities		
Class A Acc USD	1.84%	29.63%
Class A Dis AV USD	1.84%	
Class C Acc USD	1.04%	
Class C Dis AV USD	1.04%	
Class I Acc USD	0.06%	
Class A Acc EUR	1.84%	
Class C Acc EUR	1.04%	
Class A Acc SGD	1.84%	
Class C Acc SGD	1.04%	
Class I Acc SGD Hedged	0.07%	
SISF Swiss Equity		
Class A Acc CHF	1.58%	18.23%
Class A Dis AV CHF	1.58%	
Class C Acc CHF	1.03%	
Class C Dis AV CHF	1.03%	
SISF UK Equity[27]		
Class A Acc GBP	1.46%	83.87%
Class A Dis AV GBP	1.45%	
Class C Acc GBP	0.90%	
Class C Dis AV GBP	0.90%	
Class A Dis SV EUR	1.45%	
SISF Global Equity		
Class A Acc USD	1.58%	55.53%
Class C Acc USD	0.63%	
Class C Dis AV USD	0.66%	
Class I Acc USD	0.05%	
SISF US Large Cap		
Class A Acc USD	1.58%	28.98%
Class A Dis AV USD	1.58%	
Class C Acc USD	0.83%	
Class C Dis AV USD	0.83%	
Class I Acc USD	0.05%	
Class A Acc SGD	1.61%	
SISF Asian Dividend Maximiser		
Class A Acc USD	1.96%	23.88%
Class A Dis MF USD	1.98%	
Class C Acc USD	1.14%	
Class A Acc EUR	1.98%	
Class A Dis MF EUR	1.98%	
Class A Dis MF EUR Hedged	2.01%	
Class A Dis MF AUD	1.98%	

[27] With effect from 7 December 2026, the Sub-Fund's name will change to SISF European Core Equity.

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
Class A Dis MF SGD	1.98%	
Class A Dis MFC AUD Hedged	2.05%	
Class A Dis MF SGD Hedged	2.01%	
SISF Asian Equity Yield		
Class A Acc USD	1.84%	30.87%
Class A Dis MF USD	1.84%	
Class C Acc USD	1.29%	
Class C Dis MF USD	1.29%	
Class IZ Acc USD	1.06%	
Class A Dis MFC AUD Hedged	1.87%	
Class A Acc CHF	1.84%	
Class C Acc CHF	1.29%	
Class A Acc EUR	1.84%	
Class C Acc EUR	1.29%	
Class A Dis MF SGD Hedged	1.88%	
SISF Sustainable Asian Equity		
Class A Acc USD	1.86%	31.17%
Class A Dis MF USD	1.85%	
Class C Acc USD	1.06%	
Class A Acc SGD	1.88%	
Class A Dis MF SGD	1.85%	
Class F Acc SGD	1.71%	
SISF BIC Brazil, India, China		
Class A Acc USD	1.84%	43.76%
Class A Acc EUR	1.84%	
Class A Acc SGD	1.83%	
SISF Emerging Asia		
Class A Acc USD	1.84%	83.60%
Class C Acc USD	1.29%	
Class Y Acc USD	1.07%	
Class A Acc EUR	1.84%	
Class C Acc EUR	1.29%	
Class Y Acc EUR	0.95%	
Class Y Acc SGD	1.03%	
Class A Acc SGD Hedged	1.87%	
Class A Acc AUD Hedged	1.87%	
Class A Acc GBP Hedged	1.87%	
SISF Emerging Europe		
Class A Acc EUR	1.78%	44.26%
Class A Dis AV EUR	1.76%	
Class C Acc EUR	1.22%	
Class C Dis AV EUR	1.19%	
SISF Emerging Markets		
Class A Acc USD	1.84%	51.99%
Class A Dis AV USD	1.84%	
Class C Acc USD	1.05%	
Class C Dis AV USD	1.04%	
Class A Acc EUR	1.84%	
Class C Acc EUR	1.05%	

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
Class I Acc EUR	0.06%	
Class A Acc SGD	1.82%	
SISF European Dividend Maximiser		
Class A Acc EUR	1.94%	32.28%
Class A Dis QF EUR	1.94%	
Class A Dis MF USD Hedged	1.97%	
Class A Dis MF SGD Hedged	1.97%	
SISF European Smaller Companies		
Class A Acc EUR	1.86%	26.85%
Class A Dis AV EUR	1.86%	
Class C Acc EUR	1.06%	
Class C Dis AV EUR	1.06%	
Class A Acc USD Hedged	1.89%	
SISF Frontier Markets Equity		
Class A Acc USD	1.91%	42.11%
Class C Acc USD	1.36%	
Class I Acc USD	0.13%	
Class A Acc EUR	1.93%	
Class C Acc EUR	1.36%	
Class A Acc SGD	1.91%	
SISF European Special Situations		
Class A Acc EUR	1.83%	54.89%
Class C Acc EUR	1.02%	
Class C Dis AV EUR	1.00%	
Class K1 Acc EUR	0.85%	

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
SISF Global Climate Change Equity		
Class A Acc SGD	1.83%	28.10%
Class A Acc USD	1.83%	
Class C Acc USD	1.03%	
Class A Acc EUR	1.83%	
Class C Acc EUR	1.03%	
SISF Global Emerging Market Opportunities		
Class A Acc SGD	1.84%	52.18%
Class A Acc USD	1.84%	
Class C Acc USD	1.29%	
Class A Acc EUR	1.85%	
SISF Global Energy		
Class A Acc USD	1.85%	99.71%
Class C Acc USD	1.31%	
Class C Dis AV USD	1.34%	
Class I Acc USD	0.07%	
SISF Global Dividend Maximiser		
Class A Acc SGD	1.99%	30.19%
Class A Dis QF SGD	1.99%	
Class A Acc USD	1.99%	
Class A Dis QF USD	1.99%	
Class AX Dis MF USD	1.99%	
Class C Acc USD	1.20%	
Class C Dis QF USD	1.19%	
Class A Dis QF EUR Hedged	2.02%	

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
Class A Dis MFC AUD Hedged	2.02%	
SISF Global Equity Yield		
Class A Acc USD	1.85%	36.79%
Class A Dis MF USD	1.85%	
Class C Acc USD	1.05%	
Class C Dis QF USD	1.05%	
Class A Acc EUR	1.85%	
Class C Acc EUR	1.04%	
SISF Global Gold		
Class A Acc USD	1.84%	106.39%
Class A Acc SGD Hedged	1.87%	
Class A Acc EUR Hedged	1.88%	
SISF Global Cities		
Class A Acc USD	1.84%	55.39%
Class C Acc USD	1.04%	
Class C Dis AV USD	1.04%	
Class A Acc EUR Hedged	1.87%	
Class C Acc EUR Hedged	1.07%	
SISF Global Innovation		
Class A Acc USD	1.83%	46.93%
Class C Acc USD	1.03%	
Class F Acc SGD	1.69%	
Class A Acc SGD	1.85%	
SISF Global Alternative Energy		
Class A Acc CHF Hedged	1.87%	54.18%
Class C Acc CHF Hedged	1.07%	
Class A Acc EUR Hedged	1.87%	
Class C Acc EUR Hedged	1.07%	
Class C Acc GBP Hedged	1.07%	
Class C Dis GBP	1.05%	
Class A Acc USD	1.84%	
Class C Acc USD	1.04%	
Class IZ Acc USD	0.81%	
Class A Acc SGD Hedged	1.86%	
SISF Global Smaller Companies		
Class A Acc USD	1.84%	95.11%
Class A Dis AV USD	1.84%	
Class C Acc USD	1.29%	
Class I Acc USD	0.06%	
SISF Global Sustainable Growth		
Class A Acc USD	1.63%	29.30%
Class C Acc USD	0.83%	
Class I Acc USD	0.05%	
Class A Acc EUR Hedged	1.66%	
Class A Acc SGD	1.63%	
Class A Acc SGD Hedged	1.66%	
Class C Acc SGD	0.83%	
Class F Acc SGD	1.48%	

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
SISF Greater China		
Class A Acc USD	1.84%	79.41%
Class C Acc USD	1.29%	
Class A Acc SGD	1.81%	
Class C Acc SGD	1.29%	
Class F Acc SGD	1.69%	
SISF Healthcare Innovation		
Class A Acc USD	1.85%	71.85%
Class C Acc USD	1.05%	
SISF Hong Kong Equity		
Class A Acc HKD	1.83%	41.58%
Class C Acc HKD	1.28%	
Class A Acc USD	1.83%	
Class C Acc EUR Hedged	1.31%	
SISF Indian Opportunities		
Class A Acc USD	1.85%	71.80%
Class C Acc USD	1.06%	
Class I Acc USD	0.08%	
Class F Acc SGD	1.71%	
SISF Japanese Opportunities		
Class A Acc JPY	1.84%	27.80%
Class A Dis AV JPY	1.84%	
Class C Acc JPY	1.29%	
Class C Dis AV JPY	1.29%	
Class I Acc JPY	0.06%	
Class A Acc USD	1.84%	
Class A Acc USD Hedged	1.87%	
Class C Acc USD Hedged	1.31%	
Class I Acc USD Hedged	0.07%	
SISF Japanese Smaller Companies		
Class A Acc JPY	1.86%	37.41%
Class C Acc JPY	1.29%	
SISF Latin American		
Class A Acc USD	1.85%	59.78%
Class A Dis AV USD	1.85%	
Class C Acc USD	1.31%	
Class C Dis AV USD	1.30%	
Class A Acc SGD	1.85%	
Class A Acc EUR	1.86%	
SISF Robotics and Automation		
Class A Acc USD	1.92%	85.93%
Class C Acc USD	1.12%	
SISF US Small & Mid-Cap Equity		
Class A Acc USD	1.84%	74.58%
Class A Dis AV USD	1.84%	
Class C Acc USD	1.14%	
Class C Dis AV USD	1.14%	
Class X Acc USD	1.24%	
Class A Acc EUR	1.84%	
Class C Acc EUR	1.14%	
Class A Acc EUR Hedged	1.87%	
Class C Acc EUR Hedged	1.17%	

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
SISF US Smaller Companies Impact		
Class A Acc USD	1.83%	85.37%
Class A Dis AV USD	1.83%	
Class C Acc USD	1.13%	
Class C Dis AV USD	1.13%	
SISF Asian Total Return		
Class A Acc USD	1.84%	36.42%
Class C Acc USD	1.29%	
Class Y1 Acc USD	1.85%	
Class A Dis AV SGD	1.84%	
Class Y1 Acc SGD Hedged	Not yet incepted as of 31 December 2025	
SISF China Opportunities		
Class A Acc SGD Hedged	1.86%	80.93%
Class A Acc USD	1.83%	
Class C Acc USD	1.28%	
Class K1 Acc USD	1.11%	
Class A Acc HKD	1.83%	
Class A Acc EUR	1.83%	
Class A Acc CNH Hedged	1.86%	
SISF European Value		
Class A Acc EUR	1.83%	30.97%
Class A Dis AV EUR	1.83%	
Class C Acc EUR	1.04%	
Class C Dis AV EUR	1.03%	
Class A Acc SGD Hedged	1.87%	
Class A Acc USD	1.84%	
SISF Global Sustainable Food and Water		
Class A Acc USD	1.86%	38.16%
Class C Acc USD	1.06%	
Class A Acc EUR Hedged	1.89%	
Class A Acc GBP Hedged	1.90%	
Class A Acc SGD Hedged	1.89%	
SISF China A		
Class A Acc USD	1.84%	82.99%
Class C Acc USD	1.29%	
Class C Acc EUR	1.29%	
Class A Acc SGD	1.86%	
SISF All China Equity		
Class A Acc USD	1.84%	86.96%
Class C Acc USD	1.04%	
Class Y Acc USD	0.88%	
Class C Acc EUR	1.04%	
Class Y Acc EUR	0.89%	
Class C Acc GBP	1.04%	
Class Y Dis AV GBP	0.88%	
SISF China A All Cap		
Class A Acc USD	1.85%	143.67%
Class C Acc USD	1.32%	
SISF European Sustainable Equity		

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
Class A Acc EUR	1.59%	45.39%
Class A Dis AV EUR	1.60%	
Class C Acc EUR	0.91%	
Class C Dis AV EUR	0.92%	
SISF Global Sustainable Value		
Class A Acc EUR Hedged	1.89%	35.01%
Class A Dis QV EUR Hedged	1.89%	
Class C Acc EUR Hedged	1.09%	
Class C Dis QV EUR Hedged	1.09%	
Class A Dis MV SGD Hedged	1.89%	
Class A Dis MV USD	1.86%	
SISF Indian Equity		
Class A Acc USD	1.86%	43.34%
Class C Acc USD	1.30%	
Class I Acc USD	0.08%	
Class F Acc SGD	1.71%	
SISF Global Equity Alpha		
Class A Acc USD	1.84%	37.91%
Class C Acc USD	0.83%	
Class C Dis AV USD	0.83%	
Class A Acc EUR	1.83%	
Class C Acc EUR	0.83%	
Class A Acc SGD	1.84%	
SISF QEP Global Active Value		

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
Class A Acc USD	1.59%	160.99%
Class A Dis AV USD	1.59%	
Class C Acc USD	0.85%	
Class C Dis AV USD	0.84%	
Class A Acc EUR	1.59%	
Class C Acc EUR	0.84%	
SISF QEP Global Core		
Class C Acc USD	0.40%	39.97%
Class C Dis AV USD	0.40%	
Class I Acc USD	0.05%	
SISF QEP Global Quality		
Class A Acc USD	1.59%	24.26%
Class C Acc USD	0.84%	
Class C Dis AV USD	0.84%	
Class I Acc USD	0.06%	
Class A Acc EUR	1.59%	
Class C Acc EUR	0.84%	
Class I Acc EUR	0.06%	
SISF QEP Emerging Markets Core		
Class A Acc USD	1.91%	94.87%
Class C Acc USD	1.01%	
Class I Acc USD	0.14%	
Class K1 Acc USD	0.93%	
Class A Acc EUR	1.91%	
Class C Acc EUR	1.01%	
Class K1 Acc EUR	0.93%	
SISF Emerging Markets Debt Total Return		

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
Class A Acc USD	1.85%	118.15%
Class A Dis QF USD	1.85%	
Class C Acc USD	1.20%	
Class C Dis AV USD	1.24%	
Class A Acc EUR Hedged	1.88%	
Class C Acc EUR Hedged	1.24%	
Class A Dis QF SGD Hedged	1.88%	
SISF EURO Short Term Bond		
Class A Acc EUR	0.63%	61.81%
Class A Dis AV EUR	0.63%	
Class C Acc EUR	0.31%	
Class C Dis AV EUR	0.30%	
SISF EURO Government Bond		
Class A Acc EUR	0.59%	187.08%
Class A Dis AV EUR	0.59%	
Class C Acc EUR	0.34%	
Class C Dis AV EUR	0.34%	
SISF Global Inflation Linked Bond		
Class A Acc EUR	0.94%	65.11%
Class C Acc EUR	0.52%	
Class A Acc USD Hedged	0.97%	
Class C Acc USD Hedged	0.54%	
SISF US Dollar Bond		
Class A Acc USD	0.94%	123.06%
Class A Dis QF USD	0.94%	
Class C Acc USD	0.64%	
Class C Dis AV USD	0.64%	
Class A Acc EUR Hedged	0.97%	
Class C Acc EUR Hedged	0.67%	
SISF Global Bond		
Class A Acc USD	0.96%	74.58%
Class A Dis AV USD	0.96%	
Class C Acc USD	0.64%	
Class C Dis AV USD	0.65%	
Class I Acc USD	0.07%	
Class A Acc EUR Hedged	0.99%	
Class A Dis QF EUR Hedged	0.99%	
Class C Acc EUR Hedged	0.69%	
Class A Acc USD Hedged	0.99%	
Class I Acc USD Hedged	0.07%	
SISF Asian Credit Opportunities		
Class A Acc USD	1.28%	92.07%
Class A Dis MF USD	1.28%	
Class C Acc USD	0.68%	
Class C Acc EUR Hedged	0.75%	

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
Class A Acc SGD Hedged	1.33%	
Class A Dis MF SGD Hedged	1.31%	
SISF EURO Corporate Bond		
Class A Acc EUR	1.02%	46.11%
Class A Dis SF EUR	1.03%	
Class C Acc EUR	0.63%	
Class Z Acc EUR	0.54%	
Class Z Dis SF EUR	0.56%	
Class A Acc USD Hedged	1.06%	
Class Z Acc USD Hedged	0.57%	
SISF Global Corporate Bond		
Class A Acc USD	1.03%	97.29%
Class A Dis MV USD	1.03%	
Class C Acc USD	0.63%	
Class C Dis AV USD	0.63%	
Class A Acc EUR Hedged	1.06%	
Class A Dis QF EUR Hedged	1.06%	
Class A Dis SV SGD Hedged	1.06%	
Class A Dis MVC CNH Hedged	1.06%	
SISF Global High Yield		
Class A Acc USD	1.28%	104.46%
Class A Dis MV USD	1.28%	

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
Class C Acc USD	0.78%	
Class A Acc EUR Hedged	1.31%	
Class C Acc EUR Hedged	0.81%	
Class A Dis MV SGD Hedged	1.31%	
SISF Strategic Bond		
Class A Acc USD	1.29%	100.31%
Class A Dis MV USD	1.29%	
Class C Acc USD	0.79%	
Class A Acc EUR Hedged	1.32%	
Class C Acc EUR Hedged	0.81%	
Class C Acc GBP Hedged	0.82%	
SISF Asian Local Currency Bond		
Class A Acc USD	1.20%	36.30%
Class A Dis MV USD	1.20%	
Class C Acc USD	0.80%	
Class A Acc SGD Hedged	1.21%	
Class A Acc EUR	1.20%	
SISF Global Credit High Income		
Class A Acc USD	1.49%	70.19%
Class A Dis MF USD	1.50%	
Class C Acc USD	Not yet incepted as of 31 December 2025	

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
Class I Acc USD	0.06%	
Class C Acc CHF Hedged	0.85%	
Class A Acc EUR Hedged	1.52%	
Class A Dis QF EUR Hedged	1.52%	
Class C Acc EUR Hedged	0.84%	
Class A Dis MF HKD Hedged	1.54%	
Class A Dis MV JPY Hedged	1.54%	
Class A Dis MV SGD Hedged	1.60%	
SISF Asian Convertible Bond		
Class A Acc USD	1.53%	99.44%
Class C Acc USD	0.94%	
Class A Acc EUR Hedged	1.56%	
Class C Acc EUR Hedged	0.96%	
SISF Global Convertible Bond		
Class A Acc USD	1.56%	97.29%
Class C Acc USD	0.96%	
Class A Acc EUR Hedged	1.58%	
Class C Acc EUR Hedged	0.99%	
SISF Global Credit Income		
Class A Acc USD	1.38%	69.34%
Class A Dis MF USD	1.38%	
Class C Acc USD	0.73%	
Class C Dis MF USD	0.73%	
Class I Acc USD	0.05%	
Class I Dis MF USD	0.05%	
Class A Acc AUD Hedged	1.41%	
Class A Dis MFC AUD Hedged	1.41%	
Class A Acc EUR Hedged	1.41%	
Class A Dis QF EUR Hedged	1.41%	
Class C Acc EUR Hedged	0.76%	
Class C Dis QF EUR Hedged	0.76%	
Class A Acc GBP Hedged	1.42%	
Class A Dis MF GBP Hedged	1.41%	
Class A Acc SGD Hedged	1.41%	
Class A Dis MF SGD Hedged	1.41%	
Class C Acc SGD Hedged	0.76%	
Class C Dis MF SGD Hedged	0.76%	
Class A Dis MF HKD	1.38%	
Class A Dis MFC CNH Hedged	1.41%	
Class A Dis MV CHF Hedged	1.42%	
SISF Asian Bond Total Return		

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
Class A Acc USD	1.35%	62.06%
Class A Dis MF USD	1.35%	
Class C Acc USD	0.91%	
Class A Acc EUR Hedged	1.38%	
Class C Acc EUR Hedged	0.93%	
Class A Acc SGD Hedged	1.38%	
SISF China Local Currency Bond		
Class A Acc USD	1.16%	13.20%
Class C Acc USD	0.68%	
Class I Acc USD	0.15%	
SISF Global Multi-Asset Income		
Class A Acc USD	1.56%	61.48%
Class A Dis MF USD	1.55%	
Class C Acc USD	0.97%	
Class C Dis MF USD	0.95%	
Class I Acc USD	0.08%	
Class A Acc SGD	1.56%	
Class A Dis MF SGD	1.56%	
Class A Acc SGD Hedged	1.59%	
Class A Dis MF SGD Hedged	1.59%	
Class A Dis MFC AUD Hedged	1.58%	
Class A Dis MF CNH Hedged	1.59%	

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
Class A Acc EUR Hedged	1.59%	
Class A Dis QV EUR Hedged	1.59%	
Class A Dis MF GBP Hedged	1.59%	
SISF Inflation Plus		
Class A Acc EUR	1.80%	192.02%
Class A Dis AV EUR	1.80%	
Class C Acc EUR	0.95%	
Class A Acc USD Hedged	1.88%	
Class C Acc USD Hedged	1.01%	
SISF Global Target Return		
Class A Acc USD	1.55%	88.45%
Class A Dis MF USD	1.55%	
Class A Dis MV USD	1.54%	
Class C Acc USD	0.83%	
Class I Acc USD	0.08%	
Class A Acc SGD Hedged	1.57%	
Class A Dis MF SGD Hedged	1.58%	
Class A Dis QF SGD Hedged	1.39%	
Class AX Dis QF SGD Hedged	1.40%	
Class A Dis MFC CNH Hedged	1.57%	
Class A Dis MF EUR Hedged	1.58%	

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
Class A Dis MFC AUD Hedged	1.58%	
SISF Dynamic Income		
Class A Acc USD	1.58%	72.38%
Class A Dis MF USD	1.57%	
Class A Dis MF2 USD	1.59%	
Class A Dis QV USD	1.59%	
Class C Acc USD	0.97%	
Class C Dis MF USD	0.98%	
Class C Dis MF2 USD	0.84%	
Class C Dis QV USD	1.00%	
Class A Acc EUR Hedged	1.61%	
Class A Dis QV EUR Hedged	1.61%	
Class C Acc EUR Hedged	1.01%	
Class C Dis QV EUR Hedged	1.01%	
Class A Acc GBP Hedged	1.61%	
Class A Dis MF GBP Hedged	1.60%	
Class C Acc GBP Hedged	1.01%	
Class C Dis MF GBP Hedged	1.03%	
Class A Acc CHF Hedged	1.61%	
Class A Dis MF CHF Hedged	1.62%	
Class C Acc CHF Hedged	1.02%	
Class C Dis MF CHF Hedged	1.02%	
Class A Acc HKD	1.58%	
Class A Dis MF HKD	1.57%	
Class A Dis MF CNH Hedged	1.60%	
Class A Acc SGD Hedged	1.61%	
Class A Dis MF SGD Hedged	1.61%	
Class A Acc AUD Hedged	1.61%	
Class A Dis MFC AUD Hedged	1.60%	
Class A Acc JPY	1.57%	
Class A Dis MF JPY	1.58%	
Class C Acc JPY	0.83%	
Class C Dis MF JPY	0.82%	
SISF Multi-Asset Growth and Income		
Class A Acc USD	1.55%	86.64%
Class A Dis MF USD	1.56%	
Class A Dis MF2 USD	1.55%	
Class A Dis MF4 USD	1.75%	

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
Class V Dis USD	Not yet incepted as of 31 December 2025	
Class A Acc SGD Hedged	1.72%	
Class A Dis MF2 SGD Hedged	1.59%	
Class A Dis MF3 SGD Hedged	1.74%	
Class V Dis SGD Hedged	Not yet incepted as of 31 December 2025	
Class A Dis MF3 AUD Hedged	1.79%	
Class A Distribution MFC AUD Hedged	Not yet incepted as of 31 December 2025	
Class A Acc EUR Hedged	1.59%	
Class A Dis MF2 EUR Hedged	1.79%	
Class A Dis QF EUR Hedged	Not yet incepted as of 31 December 2025	
Class C Dis QV EUR Hedged	1.10%	
SISF Commodity		
Class A Acc USD	1.89%	60.05%
Class C Acc USD	1.33%	

Sub-Funds and Share Classes	Expense Ratio	Turnover Ratio
Class A Acc EUR Hedged	1.92%	
SISF US Dollar Liquidity		
Class A Acc USD	0.29%	0.00%
Class A1 Acc USD	0.29%	
Class C Acc USD	0.28%	
Class I Acc USD	0.05%	
Class A Acc SGD Hedged	0.35%	
SISF Global Equity Income Plus		
Class A Acc USD	Not yet incepted as of 31 December 2025	52.14%
Class A Dis MVT1 USD	Not yet incepted as of 31 December 2025	
Class A Dis MVT2 USD	Not yet incepted as of 31 December 2025	
Class C Acc USD	0.85%	
Class A Dis MVT SGD Hedged	Not yet incepted as of 31 December 2025	

SCHRODER INTERNATIONAL SELECTION FUND

REPLACEMENT SINGAPORE PROSPECTUS

BOARD OF DIRECTORS

_____	_____
NAME:	**NAME:**
DIRECTOR OF SCHRODER INVESTMENT MANAGEMENT (SINGAPORE) LTD	**DIRECTOR OF SCHRODER INVESTMENT MANAGEMENT (SINGAPORE) LTD**
SIGNED FOR AND ON BEHALF OF:	**SIGNED FOR AND ON BEHALF OF:**
ERIC BERTRAND	**HUGH MULLAN**
WIM NAGLER	**BERNARD HERMAN**
CARLA BERGARECHE	**YVES FRANCIS**
PETER NELSON	**ROSS LEACH**

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund EURO Equity (the "Fund")

Product Type	Open-ended investment company	Launch Date	21/09/1998
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	EUR Class A: 1.83% USD Hedged Class A / SGD Hedged Class A: 1.86%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in European equity and equity related securities.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI European Monetary Union (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in countries participating in the European Monetary Union.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (EUR) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

Investment Strategy

The Fund is actively managed and invests at least 75% of its assets in equity and equity related securities of companies that are incorporated in the European Economic Area.

The Fund invests at least two-thirds of its assets in equity and equity related securities of companies in countries whose currency is the Euro.

The Fund may also invest up one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than MSCI European Monetary Union (Net TR) index, based on the Investment Manager's rating system.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Europe.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Class A: Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee
(b) Paid by Management Company to financial adviser (trailer fee)	(b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction

Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

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Schroder International Selection Fund Japanese Equity (the "Fund")

Product Type	Open-ended investment company	Launch Date	02/08/1993
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	JPY Class A: 1.58% to 1.59% USD Class A: 1.59% USD Hedged Class A: 1.61%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in Japanese equity and equity related securities.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the Tokyo Stock Price Index (Net TR) after fees have been deducted over a three to five year period by investing in equity and equity related securities of Japanese companies.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (JPY) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Japanese companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the Tokyo Stock Price Index (Net TR), based on the Investment Manager's rating system.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management (Japan) Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Japan.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee	Class A: 1.25% per annum
(a) Retained by Management Company	(a) 35% to 100% of Annual Management Fee
(b) Paid by Management Company to financial adviser (trailer fee)	(b) 0% to 65%[2] of Annual Management Fee

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Asian Opportunities (the "Fund")

Product Type	Open-ended investment company	Launch Date	29/10/1993
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.84% EUR Class A: 1.84% SGD Class A: 1.84%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Asian companies excluding Japan.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI AC Asia ex Japan (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Asian companies (excluding Japan).

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Asian companies (excluding Japan).

The Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through

- the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments,

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

– the Qualified Foreign Investor ("**QFI**") Scheme;
– shares listed on the STAR Board and the ChiNext; and
– Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI AC Asia ex Japan (Net TR) Index based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

– The Fund is a sub-fund of Schroder International Selection Fund.
– The Management Company is Schroder Investment Management (Europe) S.A..
– The Investment Manager is Schroder Investment Management (Singapore) Ltd.
– The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Asia excluding Japan.

– The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to risks regarding QFI Status.

– The Investment Manager's QFI status may be suspended or revoked and this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Regulated Market: a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Swiss Equity (the "Fund")

Product Type	Open-ended investment company	Launch Date	18/12/1995
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	CHF Class A: 1.58%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in Swiss equity and equity related securities of Swiss companies.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the Swiss Performance Index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Swiss companies.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Swiss companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

The Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management (Switzerland) AG.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Switzerland.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to distribution policy risk (only applicable to Distribution Classes).

- In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.25% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund UK Equity[2] (the "Fund")

Product Type	Open-ended investment company	Launch Date	13/04/1993
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	GBP Class A: 1.45% to 1.46% EUR Class A: 1.45%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in UK[3] equity and equity related securities.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

Prior to 7 December 2026: The Fund aims to provide capital growth in excess of the FTSE All Share Total Return index after fees have been deducted over a three to five year period by investing in equity and equity related securities of UK companies.

With effect from 7 December 2026: The Fund aims to provide capital growth in excess of the MCSI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.
[2] With effect from 7 December 2026, the Fund's name will change to Schroder International Selection Fund European Core Equity.
[3] With effect from 7 December 2026, the reference to "UK" will be changed to "European".

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

Prior to 7 December 2026: The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of UK companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the FTSE All Share Total Return index, based on the Investment Manager's rating criteria.

With effect from 7 December 2026: The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of European companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MCSI Europe (Net TR) index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in UK[4].

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

[4] With effect from 7 December 2026, the reference to "UK" will be changed to "Europe".

Product-Specific Risks

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.10% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[5] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

[5] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

PRODUCT HIGHLIGHTS SHEET

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[6] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[6] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Equity (the "Fund")

Product Type	Open-ended investment company	Launch Date	03/06/2005
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.58%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI All Country (AC) World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies worldwide.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Investment Manager seeks to identify companies that it believes will deliver future earnings growth above the level expected by the market typically on a three to five year horizon (the Investment Manager refers to this as 'a positive growth gap').

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI All Country (AC) World (Net TR) Index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee	Class A: 1.25% per annum
(a) Retained by Management Company	(a) 35% to 100% of Annual Management Fee
(b) Paid by Management Company to financial adviser (trailer fee)	(b) 0% to 65%[2] of Annual Management Fee

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund US Large Cap (the "Fund")

Product Type	Open-ended investment company	Launch Date	21/03/2001
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.58% SGD Class A: 1.61%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of large-sized US companies.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

Prior to 4 May 2026, the Fund aims to provide capital growth in excess of the Standard & Poors 500 (Net TR) Lagged index after fees have been deducted over a three to five year period by investing in equity and equity related securities of large-sized US companies. As of 4 May 2026, the Fund aims to provide capital growth in excess of the Standard & Poor's 500 (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of large-sized US companies.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in the equity and equity related securities of large-sized US companies. Large-sized companies are companies which, at the time of purchase, are considered to be in the top 85% by market capitalisation of the US equities market.

The Fund may invest in the equity securities of non-US companies provided they are listed on one of the major North American stock exchanges.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

Prior to 4 May 2026, the Fund maintains a higher overall sustainability score than the Standard & Poor's 500 (Net TR) Lagged index based on the Investment Manager's rating criteria. As at 4 May 2026, the Fund maintains a higher overall sustainability score than the Standard & Poor's 500 (Net TR) index based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management (Europe) S.A. – German Branch.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in US.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.25% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

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138 Market Street, #23-01, CapitaGreen
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PRODUCT HIGHLIGHTS SHEET

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

USA or US: the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Asian Dividend Maximiser (the "Fund")

Product Type	Open-ended investment company	Launch Date	18/09/2013
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.96% to 1.98% AUD Class A / EUR Class A / SGD Class A: 1.98% EUR Hedged Class A 2.01% AUD Hedged Class A: 2.05% SGD Hedged Class A: 2.01%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- primarily seek income; and
- understand the risks of investing in equities or equity related securities in Asia-Pacific excluding Japan.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to deliver an income of 7%* per year by investing in equities or equity related securities of Asia-Pacific companies (excluding Japan). This is not guaranteed and could change depending on market conditions.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

**You should note that this is the investment objective of the Fund and the reference to income distribution (or an income rate) seeks to be achieved by the Fund is not and should not be interpreted to be a prediction, projection or forecast*

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

of the future performance of the Fund. It is not indicative of the future or likely performance of the Fund.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets (excluding cash) in equities or equity related securities of Asia-Pacific companies (excluding Japan), which are selected for their income and capital growth potential. To enhance the yield of the Fund, the Investment Manager selectively sells short dated call options over individual securities held by the Fund, generating extra income by agreeing strike prices above which potential capital growth is sold.

The Fund may invest directly in China H-Shares and may invest up to 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI AC Pacific ex Japan High Dividend Yield (Net TR) index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Asia-Pacific excluding Japan.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to derivatives risk.

– The Fund makes use of derivatives in a way that is fundamental to its investment objective. It is expected that the strategy will typically underperform a similar portfolio with no derivatives overlay in periods when the underlying stock prices are rising, and outperform when the underlying stock prices are falling.

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

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[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

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Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Currency carry: This refers to the premium or discount that may apply to the distribution. Distributions may include a premium when the interest rate of a currency hedged Class is higher than the Fund's base currency interest rate. Consequently when the interest rate of a currency hedged Class is lower than the Fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the Fund's investment objective or investment policy.

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Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Asian Equity Yield (the "Fund")

Product Type	Open-ended investment company	Launch Date	11/06/2004
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / EUR Class A / CHF Class A: 1.84% SGD Hedged Class A: 1.88% AUD Hedged Class A: 1.87%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in equity and equity related securities in Asia Pacific excluding Japan.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide income and capital growth in excess of the MSCI AC Asia Pacific ex Japan (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Asia Pacific companies (excluding Japan).

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Asia Pacific companies (excluding Japan).

The Fund invests in the equities of companies in the Asia Pacific (excluding Japan) region that pay dividends now but also retain enough cash to reinvest back into the company to generate future growth.

Refer to the "Investment Objectives and Strategies / Product

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

The Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through

– the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
– the Qualified Foreign Investor ("**QFI**") Scheme;
– shares listed on the STAR Board and the ChiNext; and
– Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan High Dividend Yield (Net TR) index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

– The Fund is a sub-fund of Schroder International Selection Fund.
– The Management Company is Schroder Investment Management (Europe) S.A..
– The Investment Manager is Schroder Investment Management (Singapore) Ltd.
– The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Asia Pacific excluding Japan.

– The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to risks regarding QFI Status.

– The Investment Manager's QFI status may be suspended or revoked and this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Regulated Market: a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

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[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Sustainable Asian Equity[2] (the "Fund")

Product Type	Open-ended investment company	Launch Date	13/12/2017
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.85% to 1.86% SGD Class A: 1.85% to 1.88% SGD Class F: 1.71%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies in Asia Pacific markets excluding Japan.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI AC Asia Pacific ex Japan (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Asia Pacific markets companies (excluding Japan) which meet the Investment Manager's sustainability criteria.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in Asia Pacific markets (excluding Japan) or companies which derive a significant portion of their revenues or profits from the Asia Pacific region.

The Fund maintains a higher overall sustainability score than MSCI AC Asia

Refer to the "Investment Objectives and Strategies / Product Suitability" and

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

[2] This Fund is an ESG Fund under Circular No. CFC 02/2022 on the Disclosure and Reporting Guidelines for ESG Funds issued by the MAS.

PRODUCT HIGHLIGHTS SHEET

Pacific ex Japan (Net TR) index, based on the Investment Manager's rating system.

The Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through

- the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("**QFI**") Scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

"Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management (Singapore) Ltd.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Asia excluding Japan.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5% Class F: 0%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[3] of Annual Management Fee; with the median trailer fee being 50%[4] Class F: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[3] of Annual Management Fee; with the median trailer fee being 50%[4]
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[3] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

[4] The median trailer fee is derived based on the trailer fees payable only to direct Singapore retail distributors for the Class A and Class F Units. Institutional investors (including insurers or investment-linked plans) or accredited investors, and/or non-Singapore distributors are excluded in the computation of both the median trailer fee and the trailer fee range whereby a trailer fee arrangement may not be applicable.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.
Business Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.
ChiNext: the ChiNext market of the Shenzhen Stock Exchange.
Class: a class of Shares with a specific fee structure.
Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.
Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:
Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual
Distribution type: **F** = fixed, **T** = variable T[5] or **V** = variable
Currency carry: **C**
Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.
ESG: Environmental, Social and Governance.
Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.
Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.
Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.
Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.
Regulated Market: a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.
Shares: shares in the Fund.
Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.
STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.
UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.
UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[5] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund BIC (Brazil, India, China) (the "Fund")

Product Type	Open-ended investment company	Launch Date	31/10/2005
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / EUR Class A: 1.84% SGD Class A: 1.83%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities in Brazil, India and China.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI BIC (Net TR) 10/40 index after fees have been deducted over a three to five year period, by investing in equity and equity related securities of Brazilian, Indian and Chinese companies.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in a range of equity and equity related securities of Brazilian, Indian and Chinese companies.

The Fund may invest directly in the China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments,

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its asset directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI BIC (Net TR) 10/40 index, based on the Investment Manager's rating criteria.

Special Information: In the context of the unprecedented geo-political situation caused by Russia's invasion of the Ukraine and the resultant impact of sanctions and the actions of governments and market counterparties on certain Russian issuers and assets, the Fund's residual holdings in Russian assets (the "Russian Assets") are currently valued at zero. These Russian Assets represented approximately 0.35% of the Fund's Net Asset Value as of 3 March 2022 when the value was reduced to zero. In the event that value returns to these assets, they will be returned to the Net Asset Value of the Fund and will be divested by the Investment Manager taking into account the best interests of shareholders in line with the Fund's amended investment strategy, which is applicable as from 18 April 2023.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Brazil, India and China.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Emerging Asia (the "Fund")

Product Type	Open-ended investment company	Launch Date	09/01/2004
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / EUR Class A: 1.84% SGD Hedged Class A / AUD Hedged Class A / GBP Hedged Class A: 1.87%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities in emerging Asian markets.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI Emerging Markets Asia (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in the emerging markets in Asia.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in the emerging markets in Asia.

The Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("**QFI**") Scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management (Hong Kong) Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Asia.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to risks regarding QFI Status.

– The Investment Manager's QFI status may be suspended or revoked and this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee

(b) Paid by Management Company to financial adviser (trailer fee)	(b) 0% to 65%[2] of Annual Management Fee, with the median trailer fee being 50%[3]
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

[3] The median trailer fee is derived based on the trailer fees payable only to direct Singapore retail distributors for the Class A Units. Institutional investors (including insurers or investment-linked plans) or accredited investors, and/or non-Singapore distributors are excluded in the computation of both the median trailer fee and the trailer fee range whereby a trailer fee arrangement may not be applicable.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Eligible State: Includes any member state of the European Union, any member state of the Organisation for Economic Co-operation and Development, and any other state which the board of directors of the Company deem appropriate.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Regulated Market: a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Emerging Europe (the "Fund")

Product Type	Open-ended investment company	Launch Date	28/01/2000
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	EUR Class A: 1.76% to 1.78%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Central and Eastern European companies.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth by investing in equity and equity related securities of Central and Eastern European companies

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds", and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in a concentrated portfolio of equity and equity related securities of Central and Eastern European companies including the markets of the former Soviet Union and the Mediterranean emerging markets. The Fund may also invest in equity and equity related securities of North African and Middle Eastern companies.

The Fund typically holds 30-50 companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI EFM Europe + CIS (E+C) Index (Net TR), based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Special Information: In view of the unprecedented geo-political situation caused by Russia's invasion of the Ukraine and the resultant impact of sanctions and the actions of governments and market counterparties on certain Russian issuers and assets, dealing in shares of the Fund was suspended from 25 February 2022 to 17 July 2022. The suspension was lifted with effect from 18 July 2022.

In order to re-open the Fund, the portfolio of the Fund has been split by creating a new sub-portfolio in the Fund. The Russian equities and equity related securities (the "**Russian Assets**") held by the Fund have been ring fenced within the Fund and allocated to two newly created share classes, named X9 and Y9 (the "**New Classes**"). Shares in the New Classes have been allocated only to existing shareholders of the Fund with effect as of 18 July 2022 to reflect their respective percentage holdings in the Fund's total Net Asset Value as of 25 February 2022. Following the allocation of the Russian Assets to the New Classes to existing shareholders with effect as of 18 July 2022, the Fund (through its share classes which were in existence before the creation of the New Classes) no longer has any exposure to the Russian Assets, and the Fund will not make any further investments in Russian equities and equity related securities until further notice.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Europe.

– The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor | The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Emerging Markets (the "Fund")

Product Type	Open-ended investment company	Launch Date	09/03/1994
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / EUR Class A: 1.84% SGD Class A: 1.82%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in emerging markets equity and equity related securities.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI Emerging Markets 10/40 (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of emerging markets companies.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in emerging markets.

The Fund may invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments,

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up and down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to China country risk.

- Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

- The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee	Class A: 1.50% per annum
(a) Retained by Management Company	(a) 35% to 100% of Annual Management Fee
(b) Paid by Management Company to financial adviser (trailer fee)	(b) 0% to 65%[2] of Annual Management Fee

Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or V = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund European Dividend Maximiser (the "Fund")

Product Type	Open-ended investment company	Launch Date	05/10/2007
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	EUR Class A: 1.94% USD Hedged Class A / SGD Hedged Class A: 1.97%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- primarily seek income; and
- understand the risks of investing in equity and equity related securities in the European market.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to deliver an income of 7%* per year by investing in equities or equity related securities of European companies. This is not guaranteed and could change depending on market conditions.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (EUR) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

**You should note that this is the investment objective of the Fund and the reference to income distribution (or an income rate) seeks to be achieved by the Fund is not and should not be interpreted to be a prediction, projection or forecast of the future performance of the Fund. It is not indicative of the future or likely performance of the Fund.*

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equities or equity related securities of European companies, which are selected for their income and capital growth potential. To enhance the yield of the Fund, the Investment Manager selectively sells short dated call options over individual securities held by the Fund, generating extra income by agreeing strike prices above which potential capital growth is sold.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI Europe (Net TR) index, based on the Investment Manager's rating system. It also maintains a carbon intensity below that of the MSCI Europe (Net TR) index.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Europe.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to derivatives risk.

– The Fund makes use of derivatives in a way that is fundamental to its investment objective. It is expected that the strategy will typically underperform a similar portfolio with no derivatives overlay in periods when the underlying stock prices are rising, and outperform when the underlying stock prices are falling.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to concentration risk.

– The Fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the Fund, both up or down, which may adversely impact the performance of the Fund.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund European Smaller Companies (the "Fund")

Product Type	Open-ended investment company	Launch Date	07/10/1994
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	EUR Class A: 1.85% to 1.86% USD Hedged Class A: 1.89%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of small-sized companies in Europe.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI Europe Small Cap (NDR) index after fees have been deducted over a three to five year period by investing in equity or equity related securities of small-sized European companies.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (EUR) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small-sized European companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the European equities market.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI Europe Small Cap (NDR) index index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Europe.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

- The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

PRODUCT HIGHLIGHTS SHEET

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Frontier Markets Equity (the "Fund")

Product Type	Open-ended investment company	Launch Date	15/12/2010
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / SGD Class A: 1.91% EUR Class A: 1.93%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth;
- understand the risks of investing in equity and equity related securities in frontier emerging markets.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI Frontier Emerging Markets (FEM) index (Net TR) with emerging markets capped at 10% after fees have been deducted over a three to five year period by investing in equity and equity related securities of frontier emerging markets companies.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of frontier emerging markets companies worldwide.

The Fund typically holds 50-70 companies.

'Frontier emerging markets' are countries included in the MSCI Frontier Emerging Markets (FEM) index or any other recognised frontier markets financial index, or additional countries that the Investment Manager deems to be frontier emerging market countries.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

PRODUCT HIGHLIGHTS SHEET

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund European Special Situations (the "Fund")

Product Type	Open-ended investment company	Launch Date	31/03/2006
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	EUR Class A: 1.83%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in European equity and equity related securities.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests in a select portfolio of securities in special situations, where the Investment Manager believes a special situation to be a company whose future prospects are not fully reflected in its valuation.

The Fund maintains a higher overall sustainability score than MSCI Europe (Net TR) index, based on the Investment Manager's rating system.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information"

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Europe.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

- The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

- The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

- Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Class A: Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?
For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Climate Change Equity[2] (the "Fund")

Product Type	Open-ended investment company	Launch Date	29/06/2007
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / SGD Class A / EUR Class A: 1.83%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which the Investment Manager believes will benefit from efforts to accommodate or limit the impact of global climate change and which meet the Investment Manager's sustainability criteria.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Fund maintains a higher overall level of avoided emissions than MSCI All Country World (Net TR) index, based on the Investment Manager's rating system.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments,

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

[2] This Fund is an ESG Fund under Circular No. CFC 02/2022 on the Disclosure and Reporting Guidelines for ESG Funds issued by the MAS.

PRODUCT HIGHLIGHTS SHEET

The Fund may invest directly in China H-Shares and may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to China country risk.

- Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[3] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

[3] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

PRODUCT HIGHLIGHTS SHEET

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

ESG: Environmental, Social and Governance.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Emerging Market Opportunities (the "Fund")

Product Type	Open-ended investment company	Launch Date	19/01/2007
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / SGD Class A: 1.84% EUR Class A: 1.85%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in equity and equity related securities in emerging markets.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income in excess of the MSCI Emerging Markets 10/40 (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in emerging market countries worldwide.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in emerging market countries worldwide.

The Fund may invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to China country risk.

- Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee; with the median trailer fee being 50%[3]

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

[3] The median trailer fee is derived based on the trailer fees payable only to direct Singapore retail distributors for the Class A Units. Institutional investors (including insurers or investment-linked plans) or accredited investors, and/or non-Singapore distributors are excluded in the computation of both the median trailer fee and the trailer fee range whereby a trailer fee arrangement may not be applicable.

Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Energy (the "Fund")

Product Type	Open-ended investment company	Launch Date	30/06/2006
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.85%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies in the energy sector.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI World SMID Energy[1] index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in the energy sector.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

Prior to 5 November 2026: The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equities of small and mid-sized companies in the energy sector. These are companies which, at the time of purchase, are considered to be in the bottom 80% by market capitalisation of the energy sector. The Fund typically holds fewer than 50 companies.

With effect from 5 November 2026: The Sub-Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of energy-related companies worldwide.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.
[2] With effect from 5 November 2026, the target benchmark will change to the MSCI World Energy index.

PRODUCT HIGHLIGHTS SHEET

The Sub-Fund offers diversified exposure across the conventional energy value chain and the broader energy mix, including companies involved in, or supporting, the exploration, production, processing, refining and transportation of energy and related products and services. This includes (but is not limited to) global integrated energy majors, oil and gas producers, oilfield services, downstream service providers, energy infrastructure and services, diversified power, energy metals and nuclear. The Sub-Fund may invest in a broad range of companies regardless of market capitalisations. The Sub-Fund typically holds 40-60 companies.

Information" sections of the Prospectus for further information on the investment strategy of the Fund.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Parties Involved

WHO ARE YOU INVESTING WITH?

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to concentration risk.

– The Fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the Fund, both up or down, which may adversely impact the performance of the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[3] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

[3] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

PRODUCT HIGHLIGHTS SHEET

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Dividend Maximiser (the "Fund")

Product Type	Open-ended investment company	Launch Date	13/07/2007
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / USD Class AX SGD Class A: 1.99% EUR Hedged Class A / AUD Hedged Class A: 2.02%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- primarily seek income; and
- understand the risks of investing in equity and equity related securities of companies globally.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to deliver an income of 7%* per year by investing in equities or equity related securities of companies worldwide. This is not guaranteed and could change depending on market conditions.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

**You should note that this is the investment objective of the Fund and the reference to income distribution (or an income rate) seeks to be achieved by the Fund is not and should not be interpreted to be a prediction, projection or forecast of the future performance of the Fund. It is not indicative of the future or likely performance of the Fund.*

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets (excluding cash) in equities or equity related securities worldwide, which are selected for their income and capital growth potential. To enhance the yield of the Fund the Investment Manager selectively sells short dated call options over individual securities held by the Fund, generating extra income by agreeing strike prices above which potential capital growth is sold.

The Fund may invest directly in China H-Shares and may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to derivatives risk.

– The Fund makes use of derivatives in a way that is fundamental to its investment objective. It is expected that the strategy will typically underperform a similar portfolio with no derivatives overlay in periods when the underlying stock prices are rising, and outperform when the underlying stock prices are falling.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Currency Carry: This refers to the premium or discount that may apply to the distribution. Distributions may include a premium when the interest rate of a currency hedged Class is higher than the Fund's base currency interest rate. Consequently when the interest rate of a currency hedged Class is lower than the Fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the Fund's investment objective or investment policy.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Equity Yield (the "Fund")

Product Type	Open-ended investment company	Launch Date	29/07/2005
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / EUR Class A: 1.85%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in equity and equity related securities of companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide income and capital growth in excess of the MSCI World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies worldwide.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Fund will invest in a diversified portfolio of equity and equity related securities whose dividend yield in aggregate is greater than the average market yield. Equities with below average dividend yield may be included in the portfolio when the Investment Manager considers that they have the potential to pay above average yield in future.

The Fund will not be managed for yield alone: total return (dividend yield plus capital growth) will be equally important.

The Fund may invest directly in China H-Shares and may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Gold (the "Fund")

Product Type	Open-ended investment company	Launch Date	29/06/2016
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.84% SGD Hedged Class A: 1.87% EUR Hedged Class A: 1.88%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth;
- understand the risks of investing in equity and equity related securities of companies involved in the gold industry globally; and
- understand the risks of investing in a single commodity related sector.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the FTSE Gold Mines UCITS capped index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in the gold industry.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide involved in the gold industry. It will also invest up to 40% of its assets in gold and other precious metals through eligible assets[2] as described under the definition of "Alternative Asset Classes" in Appendix III of the Luxembourg Prospectus (which includes notably commodities but excluding Alternative Investment Funds) and gold and other precious metals' transferable securities.

The Fund may hold up to 40% of its assets in cash and Money Market Investments. The Fund will not be exposed to any physical commodities directly, nor enter into any contracts relating to physical commodities.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds and warrants (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

[2] This may include (i) transferable securities and Money Market Investments, (ii) units of closed-ended investment funds, (iii) financial instruments linked or backed to the performance of such asset class, (iv) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008 and (v) Financial Indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592 and/or (vi) derivatives on eligible assets under (i) – (v) in asset classes such as real estate, infrastructure, private equity, commodities and/or precious metals.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to money market and deposit risk.

– A failure of a deposit institution or an issuer of Money Market Investments could create losses.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[3] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

[3] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

PRODUCT HIGHLIGHTS SHEET

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Alternative Asset Classes: asset classes including real estate, infrastructure, private equity, commodities, precious metals and Alternative Investment Funds as described in Appendix III, section "Fund Details", paragraph (I) of the Luxembourg Prospectus.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Cities[2] (the "Fund")

Product Type	Open-ended investment company	Launch Date	31/10/2005
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.84% EUR Hedged Class A: 1.87%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in equity and equity related securities of real estate companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income in excess of the FTSE EPRA NAREIT Developed index (Net TR, USD) after fees have been deducted over a three to five year period by investing in equity and equity related securities of real estate companies worldwide that own assets in global cities and which the Investment Manager deems to be sustainable investments.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

[2] This Fund is an ESG Fund under Circular No. CFC 02/2022 on the Disclosure and Reporting Guidelines for ESG Funds issued by the MAS.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests its assets in sustainable investments, which are investments in real estate companies that contribute to an urban environment that provide a good quality of life for residents while minimising costs to the planet and using resources efficiently.

The Fund may also invest its assets in investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. The Fund invests at least 90% of its assets in equity and equity related securities of sustainable real estate companies worldwide which generate the majority of their earnings from real estate investment related activities and own assets in global cities. These are cities that have positive characteristics such as economic strength, strong transport infrastructure, high quality educational institutions and an innovative business community, based on the Investment Manager's assessment.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%3 of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum

[3] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

ESG: Environmental, Social and Governance.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Innovation (the "Fund")

Product Type	Open-ended investment company	Launch Date	12/12/2018
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.83% SGD Class A: 1.85% SGD Class F: 1.69%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies worldwide which benefit from disruptive innovation.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which benefit from disruptive innovation.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

Disruptive innovation typically means innovation (whether due to technology or otherwise) which changes a particular industry by creating new markets, products or service models. Disruptive innovation can be observed in many industries such as e-commerce, media & communications and banking & payments. The Investment Manager believes that companies benefitting from disruptive innovation, either as the disruptor or otherwise, can experience a rapid acceleration in, and durability of, growth. The Investment Manager seeks to invest

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

in companies benefiting from disruptive innovation before this is fully reflected in market expectations.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to concentration risk.

The Fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the Fund, both up or down, which may adversely impact the performance of the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5% Class F: 0%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee; with the median trailer fee being 48%[3] Class F: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee; with the median trailer fee being 48%[3]
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

[3] The median trailer fee is derived based on the trailer fees payable only to direct Singapore retail distributors for the Class A and Class F Units. Institutional investors (including insurers or investment-linked plans) or accredited investors, and/or non-Singapore distributors are excluded in the computation of both the median trailer fee and the trailer fee range whereby a trailer fee arrangement may not be applicable.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

- Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: a class of Shares with a specific fee structure.

Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

Prepared on: 28 August 2026

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Alternative Energy[2] (the "Fund'')

Product Type	Open-ended investment company	Launch Date	10/7/2019
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.84% SGD Hedged Class A: 1.86% CHF Hedged Class A / EUR Hedged Class A: 1.87%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies worldwide that are associated with the global transition towards lower-carbon sources of energy.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide that the Investment Manager believes are associated with the global transition towards lower-carbon sources of energy and which the Investment Manager deems to be sustainable investments.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

[2] This Fund is an ESG Fund under Circular No. CFC 02/2022 on the Disclosure and Reporting Guidelines for ESG Funds issued by the MAS.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments in companies that (a) generate at least 50% of their revenue from activities that contribute towards the global transition towards lower-carbon sources of energy, such as lower-carbon energy production, distribution, storage, transport and associated supply chain, material provider and technology companies or (b) generate a lower percentage of their revenue from these activities where the Investment Manager considers they are playing critical roles in the transition based on the company's capital expenditure, operating expenditure or market share and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Fund may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes (including delta one securities) and warrants) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of companies worldwide. The Fund typically holds fewer than 60 companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to concentration risk.

– The Fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the Fund, both up or down, which may adversely impact the performance of the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee	Class A: 1.50% per annum
(a) Retained by Management Company	(a) 35% to 100% of Annual Management Fee
(b) Paid by Management Company to financial adviser (trailer fee)	(b) 0% to 65%[3] of Annual Management Fee

[3] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: a class of Shares with a specific fee structure.

Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

ESG: Environmental, Social and Governance.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Smaller Companies (the "Fund")

Product Type	Open-ended investment company	Launch Date	24/02/2006
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.84%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of small-sized companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the S&P Developed Small Cap (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of small-sized companies worldwide.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small-sized companies worldwide. Small-sized companies are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of each relevant equity market.

The Fund may also invest directly in China H-Shares and may invest less than

Refer to the "Investment Objectives and Strategies / Product Suitability" and

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the S&P Developed Small Cap (Net TR) index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

"Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Sub-Investment Manager is Schroder Investment Management North America LLC.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to China country risk.

- Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Sustainable Growth[2] (the "Fund")

Product Type	Open-ended investment company	Launch Date	23/11/2010
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / SGD Class A: 1.63% EUR Hedged Class A / SGD Hedged Class A: 1.66% SGD Class F: 1.48%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which meet the Investment Manager's sustainability criteria.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (EUR) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

[2] This Fund is an ESG Fund under Circular No. CFC 02/2022 on the Disclosure and Reporting Guidelines for ESG Funds issued by the MAS.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide. The Fund typically holds fewer than 50 companies.

The Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Investment Manager's rating system.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Sub-Investment Manager is Schroder Investment Management North America LLC.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to China country risk.

- Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to concentration risk.

– The Fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the Fund, both up or down, which may adversely impact the performance of the Fund.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5% Class F: 0%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.30% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[3] of Annual Management Fee; with median trailer fee being 50% Class F: 1.30% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[3] of Annual Management Fee; with median trailer fee being 50%[4]

[3] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

[4] The median trailer fee is derived based on the trailer fees payable only to direct Singapore retail distributors for the Class A and Class F Units. Institutional investors (including insurers or investment-linked plans) or accredited investors, and/or non-Singapore distributors are excluded in the computation of both the median trailer fee and the trailer fee range whereby a trailer fee arrangement may not be applicable.

Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

ESG: Environmental, Social and Governance.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Greater China (the "Fund")

Product Type	Open-ended investment company	Launch Date	28/03/2002
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.84% SGD Class A: 1.81% SGD Class F: 1.69%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities in China, Hong Kong and Taiwan.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI Golden Dragon (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of People's Republic of China, Hong Kong SAR and Taiwan companies.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in People's Republic of China, Hong Kong SAR and Taiwan.

The Fund may invest directly in China H-Shares and may invest less than 50% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("**QFI**") Scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management (Hong Kong) Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Greater China.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to risks regarding QFI Status.

– The Investment Manager's QFI status may be suspended or revoked and this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5% Class F: 0%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee, with the median trailer fee being 50%[3] Class F: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee, with the median trailer fee being 50%[3]
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

[3] The median trailer fee is derived based on the trailer fees payable only to direct Singapore retail distributors for the Class A and Class F Units. Institutional investors (including insurers or investment-linked plans) or accredited investors, and/or non-Singapore distributors are excluded in the computation of both the median trailer fee and the trailer fee range whereby a trailer fee arrangement may not be applicable.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Eligible State: Includes any member state of the European Union, any member state of the Organisation for Economic Co-operation and Development, and any other state which the board of directors of the Company deem appropriate.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Regulated Market: a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Healthcare Innovation[2] (the "Fund")

Product Type	Open-ended investment company	Launch Date	31/07/2019
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.85%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of healthcare and medical related companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth by investing in equity and equity related securities of healthcare and medical related companies worldwide which the Investment Manager deems to be sustainable investments.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

[2] This Fund is an ESG Fund under Circular No. CFC 02/2022 on the Disclosure and Reporting Guidelines for ESG Funds issued by the MAS.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide, which are engaged in healthcare provision, medical services and related products.

The Fund invests at least 80% of its assets in sustainable investments, which are investments in companies that contribute towards the advancement of one or more of the UN SDGs by promoting growth in healthcare provision and medical treatments and improving healthcare standards using an innovation-led approach.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to concentration risk.

– The Fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the Fund, both up or down, which may adversely impact the performance of the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[3] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

[3] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

- Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: a class of Shares with a specific fee structure.

Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

ESG: Environmental, Social and Governance.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

UN SDGs: United Nations Sustainable Development Goals.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Hong Kong Equity (the "Fund")

Product Type	Open-ended investment company	Launch Date	09/08/2002
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	HKD Class A / USD Class A: 1.83%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities listed on the Hong Kong Stock Exchange.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund will aim to provide capital growth in excess of the FTSE MPF Hong Kong Index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies listed on the Hong Kong Stock Exchange.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies listed on the Hong Kong Stock Exchange.

The Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect, the Qualified Foreign Investor ("QFI") Scheme and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management (Hong Kong) Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Hong Kong.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to China country risk.

- Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to concentration risk.

- The Fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the Fund, both up or down, which may adversely impact the performance of the Fund.

You are exposed to currency risk.

- The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to risks regarding QFI status.

– The Investment Manager's QFI status may be suspended or revoked and this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Indian Opportunities (the "Fund")

Product Type	Open-ended investment company	Launch Date	10/9/2013
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.85% SGD Class F: 1.71%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Indian companies or companies which have their principal business activities in India.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of MSCI India (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Indian companies.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Indian companies or companies which have their principal business activities in India.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI India (Net TR) index, based on the Investment Manager's rating criteria.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management (Singapore) Ltd.
- The Investment Adviser is Axis Asset Management Company Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in India.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to concentration risk.

- The Fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the Fund, both up or down, which may adversely impact the performance of the Fund.

You are exposed to currency risk.

- The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

- The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5% Class F: 0%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee Class F: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

PRODUCT HIGHLIGHTS SHEET

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Japanese Opportunities (the "Fund")

Product Type	Open-ended investment company	Launch Date	01/12/2006
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	JPY Class A / USD Class A 1.84% USD Hedged Class A: 1.87%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in Japanese equity and equity related securities.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the Tokyo Stock Price Index (Net TR) after fees have been deducted over a three to five year period by investing in equity and equity related securities of Japanese companies.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (JPY) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Japanese companies.

The Fund seeks to identify and invest in undervalued stocks by estimating their fair value based on predicted returns over the medium to long term.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the Tokyo Stock Price Index (Net TR), based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management (Japan) Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Japan.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to distribution policy risk (only applicable to Distribution Classes).

- In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Japanese Smaller Companies (the "Fund")

Product Type	Open-ended investment company	Launch Date	17/01/2000
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	JPY Class A: 1.86%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of small-sized companies in Japan.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the Russell Nomura Small Cap (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of small-sized Japanese companies.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small-sized Japanese companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the Japanese equities market.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the Russell Nomura Small Cap (Net TR) index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management (Japan) Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Japan.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Latin American (the "Fund")

Product Type	Open-ended investment company	Launch Date	15/07/1998
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	SGD Class A / USD Class A: 1.85% EUR Class A: 1.86%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Latin American companies.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI Emerging Markets Latin America 10/40 (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Latin American companies.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Latin American companies.

The Fund typically holds 40-70 companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Latin America.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to emerging and less developed markets risk.

- Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

PRODUCT HIGHLIGHTS SHEET

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: C

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Robotics and Automation (the "Fund")

Product Type	Open-ended investment company	Launch Date	13/01/2020
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.92%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies worldwide which will benefit from the latest industrial innovation techniques.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which the Investment Manager believes will benefit from the latest industrial innovation techniques.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

Robotics and automation are key elements of the latest industrial innovation techniques to address the market needs and supply chain challenges of manufacturing and related sectors such as distribution, logistics and transportation. The Investment Manager seeks to invest in companies that it believes will enjoy superior growth through their exposure to these innovations.

The Fund may invest directly in China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

PRODUCT HIGHLIGHTS SHEET

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to concentration risk.

– The Fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the Fund, both up or down, which may adversely impact the performance of the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

- Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: a class of Shares with a specific fee structure.

Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund US Small & Mid-Cap Equity (the "Fund")

Product Type	Open-ended investment company	Launch Date	10/12/2004
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / EUR Class A: 1.84% EUR Hedged Class A: 1.87%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of small and mid-sized US companies.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the Russell 2500 Lagged (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of small and mid-sized US companies.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small and mid-sized US companies. These are companies which, at the time of purchase, are considered to be in the bottom 40% by market capitalisation of the US equities market.

Refer to the "Investment Objectives and Strategies / Product

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

The Fund invests in a broad range of small and mid-sized US companies. The investment approach focuses on three types of US companies: companies that the Investment Manager believes demonstrate strong growth trends and improving levels of cash; companies which the Investment Manager believes generate dependable earnings and revenues; and companies that the Investment Manager believes are undergoing positive change that is not being recognised by the market. By doing so, the Investment Manager believes that it can reduce overall risk and improve returns for investors over the medium to long term.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the S&P Mid Cap 400 Lagged (Net TR) index, based on the Investment Manager's rating criteria.

Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management North America LLC.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in US.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

USA or US: the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund US Smaller Companies Impact[2] (the "Fund")

Product Type	Open-ended investment company	Launch Date	20/07/1989
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.83%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of small-sized US companies.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the Russell 2000 Lagged (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of small-sized US companies whose activities the Investment Manager considers create positive social or environmental impact and which the Investment Manager deems to be sustainable investments.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of an environmental or social objective linked to one or more

Refer to the "Investment Objectives and

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

[2] This Fund is an ESG Fund under Circular No. CFC 02/2022 on the Disclosure and Reporting Guidelines for ESG Funds issued by the MAS.

PRODUCT HIGHLIGHTS SHEET

of the UN Sustainable Development Goals ("**SDGs**"), and to deliver returns to shareholders over the long term, and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. The Investment Manager will select companies from a universe of eligible companies that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of the company's contribution to the UN SDGs alongside the Investment Manager's assessment of the company's impact via its proprietary impact investment management framework and tools (including an impact scorecard).

The Fund is part of Schroders' Impact Driven strategies. As such, it applies highly selective investment criteria and its investment process is aligned with the Operating Principles for Impact Management which means that an assessment of impact is embedded in the steps of the investment process. All sustainable investments in the Fund are subject to this framework.

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to seek to improve sustainability practices and enhance social and environmental impacts generated by underlying investee companies.

The Fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of small-sized US companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the US equities market. The Fund typically holds 40-60 companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg prospectus).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management North America LLC.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in US.

– The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[3] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[3] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[4] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

ESG: Environmental, Social and Governance.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

USA or US: the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.

[4] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Asian Total Return (the "Fund")

Product Type	Open-ended investment company	Launch Date	16/11/2007
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / SGD Class A: 1.84%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Asia Pacific companies.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income in excess of the MSCI AC Asia Pacific ex Japan (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Asia Pacific companies. The Fund is designed to participate in rising markets whilst aiming to mitigate losses in falling markets through the use of derivatives. The mitigation of losses cannot be guaranteed.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in Asia Pacific equity and equity related securities.

The Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through

Refer to the "Investment Objectives and Strategies / Product Suitability" and

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

– the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
– the Qualified Foreign Investor (**"QFI"**) Scheme;
– shares listed on the STAR Board and the ChiNext; and
– Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund may buy or sell equity index futures and buy and sell index options on indices or individual stocks. To obtain exposure to equity indices and individual stocks, the Fund may also enter into contracts for difference where the underlying investments are not delivered and settlement is made in cash. Contracts for difference may be used to gain long and short exposure or to hedge exposure on equity and equity related securities. The gross exposure of contracts for difference will not exceed 10% and is expected to remain within the range of 0% to 10% of the net asset value of the Fund. In certain circumstances this proportion may be higher.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

"Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

– The Fund is a sub-fund of Schroder International Selection Fund.
– The Management Company is Schroder Investment Management (Europe) S.A..
– The Investment Manager is Schroder Investment Management (Singapore) Ltd.
– The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Asia Pacific.

– The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks.

– These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to short selling risk.

– The Fund may take positions that seek to profit if the price of a security falls. A large rise in the price of the security may cause large losses.

You are exposed to risks regarding QFI Status.

– The Investment Manager's QFI status may be suspended or revoked and this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee
(b) Paid by Management Company to financial adviser (trailer fee)	(b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Regulated Market: a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

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[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund China Opportunities (the "Fund")

Product Type	Open-ended investment company	Launch Date	17/02/2006
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / HKD Class A / EUR Class A: 1.83% SGD Hedged Class A / CNH Hedged Class A: 1.86%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Chinese companies.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI China (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Chinese companies.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Chinese companies.

The Fund may invest directly in China H-Shares and may invest less than 50% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("**QFI**") Scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI China (Net TR) index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management (Hong Kong) Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in China.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to risks regarding QFI Status.

– The Investment Manager's QFI status may be suspended or revoked and this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee, with the median trailer fee being 50%[3]
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

[3] The median trailer fee is derived based on the trailer fees payable only to direct Singapore retail distributors for the Class A Units. Institutional investors (including insurers or investment-linked plans) or accredited investors, and/or non-Singapore distributors are excluded in the computation of both the median trailer fee and the trailer fee range whereby a trailer fee arrangement may not be applicable.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Eligible State: Includes any member state of the European Union, any member state of the Organisation for Economic Co-operation and Development, and any other state which the board of directors of the Company deem appropriate.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Regulated Market: a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund European Value (the "Fund")

Product Type	Open-ended investment company	Launch Date	31/01/2003
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	EUR Class A: 1.83% SGD Hedged Class A: 1.87% USD Class A: 1.84%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of European companies.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (EUR) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equities of European companies.

The Fund typically holds 30 - 70 companies. The Fund applies a disciplined value investment approach, seeking to invest in a select portfolio of companies that the Investment Manager believes are significantly undervalued relative to their long-term earnings potential.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund invests at least 35% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of once or more environmental and/or social objective(s).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Europe.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Sustainable Food and Water[2] (the "Fund")

Product Type	Open-ended investment company	Launch Date	05/10/2021
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.86% EUR Hedged Class A / SGD Hedged Class A: 1.89% GBP Hedged Class A: 1.90%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which help the transition towards the sustainable provision of food and water and which the Investment Manager deems to be sustainable investments.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

[2] This Fund is an ESG Fund under Circular No. CFC 02/2022 on the Disclosure and Reporting Guidelines for ESG Funds issued by the MAS.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments that the Investment Manager expects to contribute towards the provision of sustainable food and water including water management, agricultural equipment, agricultural inputs, food security, food production, processing, packaging and distribution, food and water retail and recycling, and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of companies worldwide. The Fund typically holds 35 – 60 companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Class A: Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[3] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

[3] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: a class of Shares with a specific fee structure.

Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

ESG: Environmental, Social and Governance.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund China A (the "Fund")

Product Type	Open-ended investment company	Launch Date	06/12/2017
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.84% SGD Class A: 1.86%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI China A Onshore (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges (China A-Shares).

The Fund may invest up to 100% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through

- the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments,

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

– the Qualified Foreign Investor ("QFI") Scheme;
– shares listed on the STAR Board and the ChiNext; and
– Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Sub- Fund more efficiently. Where the Fund uses contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Strategy. In particular, contracts for difference may be used to gain long or short exposures or to hedge exposure on equity and equity related securities.

The gross exposure of contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 30% of the net asset value. In certain circumstances this proportion may be higher.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

– The Fund is a sub-fund of Schroder International Selection Fund.
– The Management Company is Schroder Investment Management (Europe) S.A..
– The Investment Manager is Schroder Investment Management (Hong Kong) Limited.
– The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Asia excluding Japan.

– The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to risks regarding QFI Status.

– The Investment Manager's QFI status may be suspended or revoked and this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Class A: Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: a class of Shares with a specific fee structure.

Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Regulated Market: a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund All China Equity (the "Fund")

Product Type	Open-ended investment company	Launch Date	27/06/2018
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.84%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Chinese companies (irrespective of where the companies are listed).

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI China All Shares Net TR index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Chinese companies(irrespective of where they are listed).

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Chinese companies.

The Fund may invest directly in China H-Shares. The Fund may invest up to 70% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("**QFI**") Scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management (Hong Kong) Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Asia.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to risks regarding QFI Status.

– The Investment Manager's QFI status may be suspended or revoked and this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Class A: Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

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ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: a class of Shares with a specific fee structure.

Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Regulated Market: a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund China A All Cap (the "Fund")

Product Type	Open-ended investment company	Launch Date	15/10/2021
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.85%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI China A Onshore (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges (China A-Shares). The Fund typically holds 30 – 50 companies. The Fund may invest in a broad range of companies regardless of market capitalisations.

The Fund may invest up to 100% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments,

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

– the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
– the Qualified Foreign Investor ("**QFI**") Scheme;
– shares listed on the STAR Board and the ChiNext; and
– Regulated Markets.

The Fund may invest up to 10% of its assets in offshore listed Chinese companies and up to 10% of its assets in the offshore listing of dual-listed Chinese A-Share companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI China A Onshore (Net TR) index, based on the Investment Manager's rating system.

Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Parties Involved

WHO ARE YOU INVESTING WITH?

– The Fund is a sub-fund of Schroder International Selection Fund.
– The Management Company is Schroder Investment Management (Europe) S.A..
– The Investment Manager is Schroder Investment Management (Hong Kong) Limited.
– The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Asia excluding Japan.

– The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to risks regarding QFI Status.

– The Investment Manager's QFI status may be suspended or revoked and this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Class A: Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: a class of Shares with a specific fee structure.

Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Regulated Market: a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public

holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund European Sustainable Equity[2] (the "Fund")

Product Type	Open-ended investment company	Launch Date	12/12/2018
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	EUR Class A: 1.59% to 1.60%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in equity and equity related securities of European companies.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies which meet the Investment Manager's sustainability criteria.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds", and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

[2] This Fund is an ESG Fund under Circular No. CFC 02/2022 on the Disclosure and Reporting Guidelines for ESG Funds issued by the MAS.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of European companies.

The Fund maintains a higher overall sustainability score than the MSCI Europe (Net TR) index, based on the Investment Manager's rating system.

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Europe.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.25% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[3] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction

[3] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

PRODUCT HIGHLIGHTS SHEET

Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[4] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

ESG: Environmental, Social and Governance.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[4] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Sustainable Value[2] (the "Fund")

Product Type	Open-ended investment company	Launch Date	02/12/2021
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	EUR Hedged Class A / SGD Hedged Class A: 1.89% USD Class A: 1.86%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in equity and equity related securities of companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies worldwide which meet the Investment Manager's sustainability criteria.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

[2] This Fund is an ESG Fund under Circular No. CFC 02/2022 on the Disclosure and Reporting Guidelines for ESG Funds issued by the MAS.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Fund applies a disciplined value investment approach, seeking to invest in a select portfolio of companies that the Investment Manager believes are significantly undervalued relative to their long-term earnings potential.

The Fund maintains a higher overall sustainability score than the MSCI World (Net TR) index, based on the Investment Manager's rating system.

The Sub-Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Fund may invest in companies that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to three years.

The Fud may invest directly in China H-Shares and may invest up to 10% of its assets (on a net basis) directly or indirectly in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[3] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction

Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[3] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[4] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

ESG: Environmental, Social and Governance.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

SFDR: Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday)

on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[4] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Indian Equity (the "Fund")

Product Type	Open-ended investment company	Launch Date	10/11/2006
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.86% SGD Class F: 1.71%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of Indian companies.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI India (NET TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Indian companies.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Indian companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI India (Net TR) index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Investment Adviser is Axis Asset Management Company Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in India.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to concentration risk.

– The Fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the Fund, both up or down, which may adversely impact the performance of the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee; with the median trailer fee currently being N.A.[3] Class F: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee; with the median trailer fee currently being N.A.[3]
Performance Fee	Not Applicable

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

[3] The median trailer fee is derived based on the trailer fees payable only to direct Singapore retail distributors for the Class A and Class F Units. Institutional investors (including insurers or investment-linked plans) or accredited investors, and/or non-Singapore distributors are excluded in the computation of both the median trailer fee and the trailer fee range whereby a trailer fee arrangement may not be applicable.

Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: a class of Shares with a specific fee structure.

Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Equity Income Plus (the "Fund")

Product Type	Open-ended investment company	Launch Date	14/07/2021
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / SGD Class A: Not available

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide an annual yield in excess of the MSCI All Country World (Net TR) Index and capital growth by investing in equity and equity related securities of companies worldwide.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide. To enhance the dividend yield of the Fund, the Investment Manager will, sell short dated call options over individual securities held by the Fund. This may at times adversely affect the capital growth of the Fund.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the MSCI All Country World (Net TR) index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to emerging and frontier markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount. Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee	Class A: 1.30% per annum
(a) Retained by Management Company	(a) 35% to 100% of Annual Management Fee
(b) Paid by Management Company to financial adviser (trailer fee)	(b) 0% to 65%[2] of Annual Management Fee

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: a class of Shares with a specific fee structure.

Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Equity Alpha (the "Fund")

Product Type	Open-ended investment company	Launch Date	29/07/2005
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	EUR Class A: 1.83% USD Class A / SGD Class A: 1.84%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in equity and equity related securities of companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the MSCI World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies worldwide.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

'Alpha' funds invest in companies in which the Investment Manager has a high conviction that the current share price does not reflect the future prospects for that business.

The Investment Manager seeks to identify companies which it believes will deliver future earnings growth above the level expected by the market typically

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

on a three to five year horizon (the Investment Manager terms this as 'a positive growth gap').

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management (Europe) S.A. – German Branch.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to China country risk.

- Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

- The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to concentration risk.

– The Fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the Fund, both up or down, which may adversely impact the performance of the Fund.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee; with the median trailer fee being 48%[3]
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

[3] The median trailer fee is derived based on the trailer fees payable only to direct Singapore retail distributors for the Class A Units. Institutional investors (including insurers or investment-linked plans) or accredited investors, and/or non-Singapore distributors are excluded in the computation of both the median trailer fee and the trailer fee range whereby a trailer fee arrangement may not be applicable.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

PRODUCT HIGHLIGHTS SHEET

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund QEP Global Active Value (the "Fund")

Product Type	Open-ended investment company	Launch Date	29/10/2004
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / EUR Class A: 1.59%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in equity and equity related securities of companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income in excess of the MSCI AC World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

For the Fund, the Investment Manager undertakes the hedging of the Shares of the hedged Share Classes by considering the relevant proportionate underlying currency exposures of the Fund. Performance of these hedged Share Classes may therefore vary significantly from equivalent Share Classes in the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.

The Fund focuses on companies that have certain "Value" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market.

The Fund may invest directly in China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.25% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction

PRODUCT HIGHLIGHTS SHEET

Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

QEP: quantitative equity products.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund QEP Global Quality (the "Fund")

Product Type	Open-ended investment company	Launch Date	17/10/2007
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / EUR Class A: 1.59%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in equity and equity related securities of companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income in excess of the MSCI AC World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.

The Fund focuses on companies that have certain "Quality" characteristics. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength, governance and structural growth.

The Fund may invest directly in China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Investment Manager's rating system.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to emerging and frontier markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.25% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

QEP: quantitative equity products.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund QEP Emerging Markets Core (the "Fund")

Product Type	Open-ended investment company	Launch Date	28/06/2021
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / EUR Class A: 1.91%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in equity and equity related securities of companies in emerging market countries.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income in excess of the MSCI Emerging Markets 10/40 (NDR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies in emerging market countries.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies in emerging market countries.

The Fund focuses on companies that have certain "Value" and/or "Quality" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength,

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments,

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

governance and structural growth.

The Fund may invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to China country risk.

- Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to currency risk.

- The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Class A: Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 0.70% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

PRODUCT HIGHLIGHTS SHEET

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: the ChiNext market of the Shenzhen Stock Exchange.

Class: a class of Shares with a specific fee structure.

Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

QEP: quantitative equity products.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: the Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Emerging Markets Debt Total Return (the "Fund")

Product Type	Open-ended investment company	Launch Date	29/08/1997
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.85% EUR Hedged Class A / SGD Hedged Class A: 1.88%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in fixed and floating rate securities, currencies and Money Market Investments in emerging markets.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income after fees have been deducted by investing in fixed and floating rate securities issued by governments, government agencies, supra nationals and companies in emerging markets. The Fund is designed to participate in rising markets while aiming to mitigate losses in falling markets through the use of cash and derivatives. The mitigations of losses cannot be guaranteed.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities, currencies and Money Market Investments in emerging markets. The fixed and floating rate securities are issued by governments, government agencies, supra-nationals and companies. The Fund may also hold cash.

In exceptional circumstances during periods of high market volatility, the Fund may hold up to 40% of its assets in deposits and Money Market Investments in developed markets. In such instances, the two-thirds referenced above will be measured against the Fund's assets excluding deposits and Money Market Investments in developed markets.

The Fund may invest in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Fund may invest up to 15% of its assets in mainland China through Regulated Markets (including the China Interbank Bond Market via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds and warrants (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than 50% JPM GBI-EM Diversified Index and 50% JPM EMBI Diversified Index based on the Investment Manager's rating criteria.

***The Fund may use derivatives with the aim of achieving investment gains,* reducing risk or managing the Fund more efficiently.**

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee
(b) Paid by Management Company to financial adviser (trailer fee)	(b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or Regulated Markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or Regulated Markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Regulated Market: a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund EURO Short Term Bond (the "Fund")

Product Type	Open-ended investment company	Launch Date	17/03/1998
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	EUR Class A: 0.63%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in Euro denominated short term fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income in excess of the Bloomberg Euro Aggregate (1-3 Y) index after fees have been deducted over a three to five year period by investing in short term fixed and floating rate securities denominated in Euro.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in short term fixed and floating rate securities with an investment grade or directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) denominated in Euro issued by governments, government agencies, supra-nationals and companies worldwide.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

The average duration of the securities held by the Fund does not exceed 3 years and the effective maturity of any such security does not exceed 5 years.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the Bloomberg Euro Aggregate (1-3 Y) index, based on the Investment Manager's rating criteria.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Europe.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to negative yields risk.

- When interest rates are very low or negative, the Fund's yield may be zero or negative, and you may not get back all of your investment.

You are exposed to money market and deposit risk.

- A failure of a deposit institution or an issuer of Money Market Investments could create losses.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 0.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction

PRODUCT HIGHLIGHTS SHEET

Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Schroders: the Management Company's ultimate holding company and its subsidiaries and affiliates worldwide.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund EURO Government Bond (the "Fund")

Product Type	Open-ended investment company	Launch Date	13/09/1994
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	EUR Class A: 0.59%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in fixed and floating rate securities issued by governments of countries whose currency is the Euro.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide income and capital growth in excess of the ICE BofA Euro Government index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities issued or guaranteed by European governments, agencies or supra-national institutions of European countries denominated in or hedged to Euro.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities with an investment grade or, directly or indirectly (including via credit default swaps and credit default swap indices), with a sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) issued or guaranteed by European governments, agencies or supra-national institutions of European countries

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

denominated in or hedged to Euro.

on the investment strategy of the Fund.

The Fund may also invest up one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Government index, based on the Investment Manager's rating criteria.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Parties Involved

WHO ARE YOU INVESTING WITH?

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Market and Credit Risks

You are exposed to market risk in Europe.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to negative yields risk.

- When interest rates are very low or negative, the Fund's yield may be zero or negative, and you may not get back all of your investment.

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to money market and deposit risk.

- A failure of a deposit institution or an issuer of Money Market Investments could create losses.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company Paid by Management Company to financial adviser (trailer fee)	Class A: 0.40% per annum (a) 35% to 100% of Annual Management Fee 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

PRODUCT HIGHLIGHTS SHEET

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Schroders: the Management Company's ultimate holding company and its subsidiaries and affiliates worldwide.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Inflation Linked Bond (the "Fund")

Product Type	Open-ended investment company	Launch Date	28/11/2003
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	EUR Class A: 0.94% USD Hedged Class A: 0.97%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in inflation–linked fixed income securities issued by governments, government agencies, supra-nationals and companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income in excess of the ICE BofA Global Governments Inflation-Linked EUR Hedged index after fees have been deducted over a three to five year period by investing in inflation-linked fixed income securities.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (EUR) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in inflation-linked fixed income securities with an investment grade or, directly or indirectly (including via credit default swaps and credit default swap indices), with a sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the ICE BofA Global Governments Inflation-Linked EUR Hedged index based on the Investment Manager's rating criteria.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Managers are Schroder Investment Management Limited and Schroder Investment Management (Singapore) Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to negative yields risk.

– When interest rates are very low or negative, the Fund's yield may be zero or negative, and you may not get back all of your investment.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to money market and deposit risk.

– A failure of a deposit institution or an issuer of Money Market Investments could create losses.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee	Class A: 0.75% per annum
(a) Retained by Management Company	(a) 35% to 100% of Annual Management Fee
(b) Paid by Management Company to financial adviser (trailer fee)	(b) 0% to 65%[2] of Annual Management Fee

Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Schroders: the Management Company's ultimate holding company and its subsidiaries and affiliates worldwide.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund US Dollar Bond (the "Fund")

Product Type	Open-ended investment company	Launch Date	22/01/1998
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 0.94% EUR Hedged Class A: 0.97%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in US Dollar denominated fixed and floating rate securities issued by governments, government agencies and companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide income and capital growth in excess of the Bloomberg US Aggregate Bond (TR) index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities denominated in USD.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities, including asset-backed securities and mortgage-backed securities, denominated in USD, issued by governments, government agencies and companies worldwide.

The Fund invests in the full credit spectrum of fixed income investments. The Fund may invest:

– up to 40% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds); and
– up to 70% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the Bloomberg US Aggregate Bond (TR) index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund may use leverage.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

– The Fund is a sub-fund of Schroder International Selection Fund.
– The Management Company is Schroder Investment Management (Europe) S.A..
– The Investment Manager is Schroder Investment Management North America LLC.
– The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in US.

– The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

– A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to asset-backed / mortgage-backed securities risk.

– Mortgage or asset-backed securities may not receive the full amounts owed to them by underlying borrowers.

You are exposed to negative yields risk.

– When interest rates are very low or negative, the Fund's yield may be zero or negative, and you may not get back all of your investment.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 0.75% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Schroders: the Management Company's ultimate holding company and its subsidiaries and affiliates worldwide.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

US: the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Bond (the "Fund")

Product Type	Open-ended investment company	Launch Date	03/06/1993
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 0.96% EUR Hedged Class A / USD Hedged Class A: 0.99%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in fixed and floating rate securities denominated in various currencies issued by governments, government agencies, supra-nationals and companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income in excess of the Bloomberg Global Aggregate Bond index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

For the Fund, the Investment Manager, or where applicable the Sub-Investment Manager, undertakes the hedging of the Shares of the Hedged Classes by considering the relevant underlying currency exposures within the benchmark of the Fund. Performance of these Hedged Classes may therefore vary significantly from equivalent Classes in the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) issued by governments, government agencies, supra-nationals and companies worldwide in various currencies.

The Fund may invest:

– up to 10% of its assets in contingent convertible bonds;
– up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds); and
– up to 40% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Fund may invest up to 15% of its assets in mainland China through Regulated Markets (including the China Interbank Bond Market via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the Bloomberg Global Aggregate Bond index, based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

– The Fund is a sub-fund of Schroder International Selection Fund.
– The Management Company is Schroder Investment Management (Europe) S.A..
– The Investment Manager is Schroder Investment Management Limited.
– The Sub-Investment Managers are Schroder Investment Management North America LLC and Schroder Investment Management (Singapore) Limited.
– The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

– The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

– A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to asset-backed / mortgage-backed securities risk.

– Mortgage or asset-backed securities may not receive the full amounts owed to them by underlying borrowers.

You are exposed to contingent convertible bonds risk.

– The Fund may be significantly invested in contingent convertible bonds. If the financial strength of a bond's issuer (typically a bank or an insurance firm) falls in a prescribed way the bond may suffer substantial or total losses of capital.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company	Class A: 0.75% per annum (a) 35% to 100% of Annual Management Fee
(b) Paid by Management Company to financial adviser (trailer fee)	(b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or Regulated Markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or Regulated Markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Regulated Market: a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Schroders: the Management Company's ultimate holding company and its subsidiaries and affiliates worldwide.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Asian Credit Opportunities (the "Fund")

Product Type	Open-ended investment company	Launch Date	06/08/2018
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.28% SGD Hedged Class A: 1.31% to 1.33%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in fixed and floating rate securities issued by companies in Asia.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income in excess of the JP Morgan Asia Credit index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities issued by companies in Asia.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in various currencies and issued by companies, governments, government agencies and supra-nationals in Asia. For the purposes of this Fund, Asia includes the following west Asian countries: Bahrain, Israel, Lebanon, Oman, Qatar, Saudi Arabia, Turkey and United Arab Emirates.

Refer to the "Investment Objectives and Strategies / Product Suitability" section

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

The Fund may invest:

– up to 20% of its assets in asset-backed securities and mortgage-backed securities; and
– up to 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may invest up to 20% of its assets in mainland China through the Qualified Foreign Investor ("**QFI**") scheme or Regulated Markets (including the China Interbank Bond Market via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the JP Morgan Asia Credit index based on the Investment Manager's rating criteria.

The Fund intends to use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

– The Fund is a sub-fund of Schroder International Selection Fund.
– The Management Company is Schroder Investment Management (Europe) S.A..
– The Investment Manager is Schroder Investment Management (Singapore) Ltd.
– The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Asia.

– The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

– A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to asset-backed / mortgage-backed securities risk.

– Mortgage or asset-backed securities may not receive the full amounts owed to them by underlying borrowers.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.00% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or Regulated Markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or Regulated Markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Eligible State: Includes any member state of the European Union, any member state of the Organisation for Economic Co-operation and Development, and any other state which the board of directors of the Company deems appropriate.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: In this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: The Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Regulated Market: a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

Schroders: the Management Company's ultimate holding company and its subsidiaries and affiliates worldwide.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund EURO Corporate Bond (the "Fund")

Product Type	Open-ended investment company	Launch Date	30/06/2000
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	EUR Class A: 1.02% to 1.03% USD Hedged Class A: 1.06%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in fixed and floating rate securities denominated in or hedged to Euro issued by companies and other non-sovereign bond issuers, governments, government agencies and supra-nationals worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income in excess of the ICE BofA Euro Corporate index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities denominated in Euro issued by companies worldwide.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (EUR) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in or hedged to Euro issued by companies and other non-sovereign bond issuers, governments, government agencies and supra-nationals worldwide.

Refer to the "Investment Objectives and

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

The Fund may invest:

– up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
– up to 20% of its assets in sovereign government bonds;
– up to 20% of its assets in asset-backed securities and mortgage-backed securities; and
– up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system.

Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

– The Fund is a sub-fund of Schroder International Selection Fund.
– The Management Company is Schroder Investment Management (Europe) S.A..
– The Investment Manager is Schroder Investment Management (Europe) S.A. – German Branch.
– The Sub-Investment Manager is Schroder Investment Management Limited.
– The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Europe.

– The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

– A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to asset-backed / mortgaged-backed securities risk.

– Mortgage or asset-backed securities may not receive the full amounts owed to them by underlying borrowers.

You are exposed to contingent convertible bonds risk.

– The Fund may be significantly invested in contingent convertible bonds. If the financial strength of a bond's issuer (typically a bank or an insurance firm) falls in a prescribed way, the bond may suffer substantial or total losses of capital.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 0.75% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Schroders: the Management Company's ultimate holding company and its subsidiaries and affiliates worldwide.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Corporate Bond (the "Fund")

Product Type	Open-ended investment company	Launch Date	01/07/2002
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.03% EUR Hedged Class A / SGD Hedged Class A / CNH Hedged Class A: 1.06%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in fixed and floating rate securities denominated in various currencies issued by companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide income and capital growth in excess of the Bloomberg Global Aggregate – Corporate index hedged to USD after fees have been deducted over a three to five year period by investing in fixed and floating rate securities issued by companies worldwide.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in various currencies and issued by companies worldwide.

The Fund invests in the full credit spectrum of fixed income investments. The Fund may invest:

- up to 40% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- up to 20% of its assets in securities issued by governments and government agencies; and
- up to 10% of its assets in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the Bloomberg Global Aggregate – Corporate index Hedged to USD, based on the Investment Manager's rating criteria.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may use leverage.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management North America LLC.
- The Sub-Investment Managers are Schroder Investment Management Limited and Schroder Investment Management (Singapore) Ltd.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to contingent convertible bonds risk.

– The Fund may be significantly invested in contingent convertible bonds. If the financial strength of a bond's issuer (typically a bank or an insurance firm) falls in a prescribed way the bond may suffer substantial or total losses of capital.

You are exposed to negative yields risk.

– When interest rates are very low or negative, the Fund's yield may be zero or negative, and you may not get back all of your investment.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 0.75% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Currency Carry: This refers to the premium or discount that may apply to the distribution. Distributions may include a premium when the interest rate of a currency hedged Class is higher than the Fund's base currency interest rate. Consequently when the interest rate of a currency hedged Class is lower than the Fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the Fund's investment objective or investment policy.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Schroders: the Management Company's ultimate holding company and its subsidiaries and affiliates worldwide.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global High Yield (the "Fund")

Product Type	Open-ended investment company	Launch Date	16/04/2004
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.28% EUR Hedged Class A / SGD Hedged Class A: 1.31%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in below investment grade fixed and floating rate securities denominated in various currencies and issued by governments, government agencies, supra-nationals and companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide income and capital growth in excess of the Bloomberg Global HYxCMBSxEMG index USD Hedged 2% cap after fees have been deducted over a three to five year period by investing in below investment grade fixed and floating rate securities issued worldwide.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). The securities may be denominated in various currencies and issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund may invest up to 15% of its assets in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the Bloomberg Global HYxCMBSxEMG index USD Hedged 2% cap, based on the Investment Manager's rating criteria.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may use leverage.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management North America LLC.
- The Sub-Investment Managers are Schroder Investment Management Limited and Schroder Investment Management (Hong Kong) Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to contingent convertible bonds risk.

– The Fund may be significantly invested in contingent convertible bonds. If the financial strength of a bond's issuer (typically a bank or an insurance firm) falls in a prescribed way the bond may suffer substantial or total losses of capital.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee	Class A: 1.00% per annum
(a) Retained by Management Company	(a) 35% to 100% of Annual Management Fee
(b) Paid by Management Company to financial adviser (trailer fee)	(b) 0% to 65%[2] of Annual Management Fee

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Strategic Bond (the "Fund")

Product Type	Open-ended investment company	Launch Date	30/09/2004
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.29% EUR Hedged Class A: 1.32%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in fixed and floating rate securities in various currencies issued by governments, government agencies, supranationals and companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provides capital growth and income in excess of the ICE BofA 3 month US Treasury Bill Index over a three to five year period after fees have been deducted by investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities in various currencies issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund may invest:

Refer to the "Investment Objectives and Strategies / Product

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

– up to 10% of its assets in contingent convertible bonds;
– up to 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities with a non-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies); and
– up to 100% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Fund may invest up to 15% of its assets in mainland China through Regulated Markets (including the China Interbank Bond Market via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index, based on the Investment Manager's rating system.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

– The Fund is a sub-fund of Schroder International Selection Fund.
– The Management Company is Schroder Investment Management (Europe) S.A..
– The Investment Manager is Schroder Investment Management Limited.
– The Sub-Investment Managers are Schroder Investment Management North America LLC and Schroder Investment Management (Singapore) Limited.
– The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

– The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

– A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to asset-backed / mortgage-backed securities risk.

– Mortgage or asset-backed securities may not receive the full amounts owed to them by underlying borrowers.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.00% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or Regulated Markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or Regulated Markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Regulated Market: a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Asian Local Currency Bond (the "Fund")

Product Type	Open-ended investment company	Launch Date	9/5/2008
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / EUR Class A: 1.20% SGD Hedged Class A: 1.21%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in fixed income securities issued by governments, government agencies and companies in Asia, excluding Japan.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income in excess of the iBoxx Asian Local Currency Bond index after fees have been deducted over a three to five year period by investing in Asian fixed income securities denominated in local currencies.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in fixed income securities with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) denominated in local currencies issued by governments, government agencies and companies in Asia (excluding Japan and including countries in west Asia as described in the Prospectus) and derivatives related to the above instruments.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

The Fund may invest up to 30% of its assets directly in mainland China through (i) Qualified Foreign Investor ("**QFI**") schemes or QFI related schemes supervised by the China Securities Regulatory Commission provided investment restriction 1.(A) (5) (I) of Appendix I of the Luxembourg Prospectus is complied with and/or they qualify as Investment Funds and (ii) Regulated Markets (including the China Interbank Bond Market via Bond Connect or CIBM Direct).

information on the investment strategy of the Fund.

Investments in mainland China Regulated Markets and interbank bond markets may also be performed indirectly through notes, certificates or other instruments (which qualify as transferable securities and do not embed a derivative element), open-ended Investment Funds and eligible derivative transactions.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the iBoxx Asian Local Currency Bond index, based on the Investment Manager's rating criteria.

The Fund intends to use derivatives (including total return swaps and long and short currency forwards) with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Parties Involved

WHO ARE YOU INVESTING WITH?

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management (Singapore) Ltd.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Asia excluding Japan.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to risks regarding QFI Status.

– The Investment Manager's QFI status may be suspended and revoked and this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.00% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%2 of Annual Management Fee

Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day. The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or Regulated Markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or Regulated Markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, A = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Eligible State: Includes any member state of the European Union, any member state of the Organisation for Economic Co-operation and Development, and any other state which the board of directors of the Company deems appropriate.

Investment Fund(s): A UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: In this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: The Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Regulated Market: A market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

Schroders: The Management Company's ultimate holding company and its subsidiaries and affiliates worldwide.

Shares: Shares in the Fund.

Singapore Business Day: Means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: An "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: An "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Credit High Income (the "Fund'')

Product Type	Open-ended investment company	Launch Date	25/01/2011
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.49% to 1.50% EUR Hedged A: 1.52% HKD Hedged A / JPY Hedged A: 1.54% SGD Hedged A: 1.60%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income by investing in fixed and floating rate securities issued by governments and companies worldwide. The Fund aims to mitigate losses in falling markets. The mitigation of losses cannot be guaranteed.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries.

The Fund may invest:

Refer to the "Investment Objectives and Strategies / Product Suitability" section

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

– in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
– up to 40% of its assets in asset-backed securities and mortgage-backed securities (including in agency mortgage-backed securities and with a maximum of 20% of the Fund's assets in non-agency mortgage-backed securities and in asset-backed securities);
– up to 15% of its assets in convertible bonds (including contingent convertible bonds);
– up to 10% of its assets in open-ended Investment Funds; and
– in Money Market Investments and hold cash.

The Investment Manager aims to mitigate losses by diversifying the -Fund's asset allocation away from areas of the market identified as having a high risk of material negative return.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, and warrants (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse ex Treasury BBB+ to CCC+ USD, EUR, GBP index based on the Investment Manager's rating criteria.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

– The Fund is a sub-fund of Schroder International Selection Fund.
– The Management Company is Schroder Investment Management (Europe) S.A..
– The Investment Manager is Schroder Investment Management Limited.
– The Sub-Investment Managers are Schroder Investment Management North America LLC and Schroder Investment Management (Singapore) Ltd.
– The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

– The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

– A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be

made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to asset-backed / mortgaged-backed securities risk.

– Mortgage or asset-backed securities may not receive the full amounts owed to them by underlying borrowers.

You are exposed to contingent convertible bonds risk.

– The Fund may be significantly invested in contingent convertible bonds. If the financial strength of a bond's issuer (typically a bank or an insurance firm) falls in a prescribed way the bond may suffer substantial or total losses of capital.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to high yield bonds risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.20% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%2 of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

- Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?
For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: a class of Shares with a specific fee structure.

Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, Q = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Schroders: the Management Company's ultimate holding company and its subsidiaries and affiliates worldwide.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Asian Convertible Bond (the "Fund")

Product Type	Open-ended investment company	Launch Date	14/03/2008
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.53% EUR Hedged Class A: 1.56%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in convertible securities issued by companies in Asia (excluding Japan).

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the FTSE Asia ex Japan Hedged Convertible Bond index (USD) after fees have been deducted over a three to five year period by investing in convertible securities issued by companies in Asia (excluding Japan).

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in a diversified range of convertible securities and other similar transferable securities, such as convertible preference securities, exchangeable bonds or exchangeable notes issued by companies in Asia (excluding Japan). The Fund may also invest in fixed and floating rate securities, equity and equity related securities of Asian companies (excluding Japan).

Convertible bonds are typically corporate bonds that can be converted into equities at a given price. As such, the Investment Manager believes investors can gain exposure to Asian (excluding Japan) equity markets with the defensive benefits and less volatile characteristics of a bond investment.

The Fund may invest in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may also invest in money market investments and hold cash.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in Asia excluding Japan.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to negative yields risk.

– When interest rates are very low or negative, the Fund's yield may be zero or negative, and you may not get back all of your investment.

You are exposed to money market and deposit risk.

– A failure of a deposit institution or an issuer of Money Market Investments could create losses.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.25% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Schroders: the Management Company's ultimate holding company and its subsidiaries and affiliates worldwide.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Convertible Bond (the "Fund")

Product Type	Open-ended investment company	Launch Date	14/03/2008
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.56% EUR Hedged Class A: 1.58%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing in convertible securities issued by companies worldwide.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the FTSE Global Focus Hedged Convertible Bond index (USD) after fees have been deducted over a three to five year period by investing in convertible securities issued by companies worldwide.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund". "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in a diversified range of convertible securities and other similar transferable securities, such as convertible preference securities, exchangeable bonds or exchangeable notes issued by companies worldwide. The Fund may also invest in fixed and floating rate securities, equity and equity related securities of companies worldwide.

Convertible bonds are typically corporate bonds that can be converted into shares at a given price. As such, the Investment Manager believes investors can gain exposure to global equity markets with the defensive benefits and less volatile characteristics of a bond investment.

The Fund may invest in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the FTSE Global Focus Hedged Convertible Bond index (USD), based on the Investment Manager's rating criteria.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased

the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to negative yields risk.

– When interest rates are very low or negative, the Fund's yield may be zero or negative, and you may not get back all of your investment.

You are exposed to money market and deposit risk.

– A failure of a deposit institution or an issuer of Money Market Investments could create losses.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.25% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Schroders: the Management Company's ultimate holding company and its subsidiaries and affiliates worldwide.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Credit Income (the "Fund")

Product Type	Open-ended investment company	Launch Date	30/11/2016
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / HKD Class A: 1.38% GBP Hedged Class A: 1.41% to 1.42% EUR Hedged Class A / SGD Hedged Class A / AUD Hedged Class A / CNH Hedged Class A /: 1.41% CHF Hedged Class A: 1.42%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide income and capital growth by investing in fixed and floating rate securities issued by governments and companies worldwide. The Fund aims to mitigate losses in falling markets. The mitigation of losses cannot be guaranteed.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries.

The Fund may invest:

- in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- less than 30% of its assets in asset-backed securities and mortgage-backed securities (including agency mortgage-backed securities and with a maximum of 10% of the Fund's assets in non-agency mortgage-backed securities and asset-backed securities);
- up to 15% of its assets in convertible bonds (including contingent convertible bonds); and
- up to 10% of its assets in open-ended Investment Funds;

The Investment Manager aims to mitigate losses by diversifying the Fund's asset allocation away from areas of the market identified as having a high risk of material negative return.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index, based on the Investment Manager's rating system.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Sub-Investment Managers are Schroder Investment Management North America LLC and Schroder Investment Management (Singapore) Ltd.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to asset-backed / mortgaged-backed securities risk.

– Mortgage or asset-backed securities may not receive the full amounts owed to them by underlying borrowers.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.10% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Currency Carry: This refers to the premium or discount that may apply to the distribution. Distributions may include a premium when the interest rate of a currency hedged Class is higher than the Fund's base currency interest rate. Consequently when the interest rate of a currency hedged Class is lower than the Fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the Fund's investment objective or investment policy.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): A UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: In this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: The Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Schroders: The Management Company's ultimate holding company and its subsidiaries and affiliates worldwide.

Shares: Shares in the Fund.

Singapore Business Day: Means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: An "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS : An "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Asian Bond Total Return (the "Fund")

Product Type	Open-ended investment company	Launch Date	16/10/1998
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.35% EUR Hedged Class A / SGD Hedged Class A: 1.38%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies in Asia, derivatives relating to these securities and currencies.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income by investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies in Asia.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities, derivatives related to these securities and currencies. The fixed and floating rate securities are issued by governments, government agencies, supra-nationals and companies in Asia. For the purposes of this Fund, Asia includes the following west Asian countries: Bahrain, Israel, Lebanon, Oman, Qatar, Saudi Arabia, Turkey and United Arab Emirates.

The Fund is designed to participate in rising markets whilst aiming to mitigate losses in falling markets through the use of derivatives. The mitigation of losses cannot be guaranteed.

The Fund may invest up to 30% of its assets in mainland China through the Qualified Foreign Investor ("**QFI**") scheme or Regulated Markets (including the China Interbank Bond Market via Bond Connect or CIBM Direct).

The Fund may invest up to 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may (exceptionally) hold 100% of its assets in Money Market Investments or cash. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Parties Involved

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management (Singapore) Ltd.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

KEY RISKS

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Market and Credit Risks

You are exposed to market risk in Asia excluding Japan.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to risks regarding QFI Status.

– The Investment Manager's QFI status may be suspended and revoked and this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Initial Charge	Class A: Up to 3%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company	Class A: 1.00% per annum (a) 35% to 100% of Annual Management Fee
(b) Paid by Management Company to financial adviser (trailer fee)	(b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or Regulated Markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or Regulated Markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Eligible State: Includes any member state of the European Union, any member state of the Organisation for Economic Co-operation and Development, and any other state which the board of directors of the Company deems appropriate.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

MMFR: The regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on Money Market Funds, as it may be amended or supplemented from time to time.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Regulated Market: a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

Schroders: the Management Company's ultimate holding company and its subsidiaries and affiliates worldwide.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund China Local Currency Bond (the "Fund")

Product Type	Open-ended investment company	Launch Date	07/11/2012
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.16%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in fixed income securities denominated in onshore RMB (CNY).

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income in excess of the iBoxx ALBI China Onshore index after fees have been deducted over a three to five year period by investing in fixed income securities denominated in onshore RMB (CNY).

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities, convertible bonds and Money Market Investments denominated or hedged back to onshore RMB (CNY). These instruments may be issued outside or inside of mainland China by governments, government agencies, supra-nationals and companies which may or may not be established or incorporated in mainland China across sectors and credit quality. The Fund

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

may also invest in fixed income securities denominated in offshore RMB (CNH).

The Fund may invest up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may invest in instruments traded on the RMB Bond market in Hong Kong and in instruments denominated in RMB traded on other Regulated Markets.

The Fund may invest up to 100% of its assets directly in mainland China through (i) Qualified Foreign Investor ("**QFI**") schemes or QFI related schemes supervised by the China Securities Regulatory Commission provided investment restriction 1.(A) (5) (I) of Appendix I of the Luxembourg Prospectus is complied with and/or they qualify as Investment Funds and (ii) Regulated Markets (including the China Interbank Bond Market via Bond Connect or CIBM Direct).

Investments in mainland China Regulated Markets and interbank bond markets may also be performed indirectly through notes, certificates or other instruments (which qualify as transferable securities and do not embed a derivative element), open-ended Investment Funds and eligible derivative transactions.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund maintains a higher overall sustainability score than the iBoxx ALBI China Onshore index, based on the Investment Manager's rating criteria.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management (Singapore) Ltd.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to credit risk.

- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to China country risk.

– Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to risks regarding QFI Status.

– The Investment Manager's QFI status may be suspended or revoked and this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 3%
Switching Charge	Class A: Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 0.75% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: a class of Shares with a specific fee structure.

Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or Regulated Markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or Regulated Markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Eligible State: includes any member state of the European Union, any member state of the Organisation for Economic Co-operation and Development, and any other state which the board of directors of the Company deems appropriate.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Regulated Market: a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State.

Schroders: the Management Company's ultimate holding company and its subsidiaries and affiliates worldwide.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Multi-Asset Income (the "Fund")

Product Type	Open-ended investment company	Launch Date	18/04/2012
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.55% to 1.56% SGD Class A: 1.56% CNH Hedged Class A / SGD Hedged Class A / EUR Hedged Class A / GBP Hedged Class A: 1.59% AUD Hedged Class A: 1.58%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in equity and equity related securities and fixed and floating rate securities of companies worldwide and fixed and floating rate securities and currencies of governments and government agencies worldwide directly or indirectly through funds and derivatives.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to deliver income and capital growth by investing in a diversified range of assets and markets worldwide.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

**You should note that this is the investment objective of the Fund and the reference to income distribution or an income rate seeks to be achieved by the Fund is not and should not be interpreted to be a prediction, projection or forecast of the future performance of the Fund. It is not indicative of the future or likely performance of the Fund.*

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests directly or indirectly through derivatives in equity and equity-related securities, fixed income securities and Alternative Asset Classes (subject to any restrictions provided in Appendix I of the Luxembourg Prospectus). The Fund may invest up to 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in below investment grade (fixed and floating rate) securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) and unrated securities. The Fund may invest in excess of 50% of its assets in emerging market debt (fixed and floating rate) securities and up to 20% of its assets in asset-backed securities and mortgage-backed securities. The Fund may also invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The exposure to Alternative Asset Classes is taken through eligible assets[2] as described in Appendix III of the Luxembourg Prospectus.

The Fund maintains a higher overall sustainability score than 30% MSCI AC World Index (USD), 40% Barclays Global Aggregate Corporate Bond Index (USD) and 30% Barclays Global High Yield excl CMBS & EMG 2% Index (USD) based on the Investment Manager's rating criteria.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may invest up to 10% of its assets in open-ended Investment Funds. The Fund may invest in Money Market Investments and hold cash.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Sub-Investment Managers are Schroder Investment Management North America LLC and Schroder Investment Management (Singapore) Ltd.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

[2] This may include (i) transferable securities and Money Market Investments, (ii) units of closed-ended investment funds, (iii) financial instruments linked or backed to the performance of such asset class, (iv) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008 and (v) Financial Indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592 and/or (vi) derivatives on eligible assets under (i) – (v) in asset classes such as real estate, infrastructure, private equity, commodities and/or precious metals.

Product-Specific Risks

You are exposed to counterparty risk.
– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.
– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.
– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to emerging and less developed markets risk.
– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to equity risk.
– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to high yield bond risk.
– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to leverage risk.
– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to interest rate risk.
– A rise in interest rates generally causes bond prices to fall.

You are exposed to distribution policy risk (only applicable to Distribution Classes).
– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.
– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to sustainability risk.
– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by ManagementCompany (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.25% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[3] of Annual Management Fee
Performance Fee	Not Applicable

[3] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Alternative Asset Classes: Asset classes including real estate, infrastructure, private equity, commodities, precious metals and Alternative Investment Funds as described in Appendix III, section "Fund Details", paragraph (I) of the Luxembourg Prospectus.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Currency carry: This refers to the premium or discount that may apply to the distribution. Distributions may include a premium when the interest rate of a currency hedged Class is higher than the Fund's base currency interest rate. Consequently when the interest rate of a currency hedged Class is lower than the Fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the Fund's investment objective or investment policy.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[4] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): A UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: In this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: The Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: Shares in the Fund.

Singapore Business Day: Means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: An "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: An "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[4] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Inflation Plus (the "Fund")

Product Type	Open-ended investment company	Launch Date	31/03/2000
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	EUR Class A: 1.80% USDHedged Class A: 1.88%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek to preserve and enhance real value (i.e. a positive return after inflation) offered through investment in a range of asset classes; and
- understand the risks of investing in a range of asset classes worldwide including equity and equity related securities, fixed and floating rate securities, currencies, commodities and cash.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth above inflation (as measured by the Eurozone Harmonized Consumer Price Index) after fees have been deducted over rolling three to five year periods by investing in a broad range of asset classes worldwide. There is no guarantee that the objective will be attained and your capital is at risk.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

Investment Strategy

The Fund is actively managed and may invest worldwide in commodities, equity and equity related securities of companies, fixed and floating rate securities and other Alternative Asset Classes in any currency, either directly or indirectly through open-ended Investment Funds and Exchange Traded Funds (subject to any restrictions provided in Appendix I of the Luxembourg Prospectus). The Fund may invest up to 50% of its assets indirectly in commodities. The exposure to commodities and other Alternative Asset Classes will be taken through eligible assets[2] as described under the definition of "Alternative Asset Classes" in Appendix III of the Luxembourg Prospectus.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments,

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

The Fund may invest in excess of 50% of its assets, directly or indirectly (including via credit default swaps and credit default swap indices), in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Fund may exceptionally invest up to 100% of its assets in cash and Money Market Investments. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR.

The Fund may use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a continuous basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 75% and is expected to remain within the range of 0% to 25% of the Net Asset Value. In certain circumstances this proportion may be higher.

Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

[2] This may include (i) transferable securities and Money Market Investments, (ii) units of closed-ended investment funds, (iii) financial instruments linked or backed to the performance of such asset class, (iv) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008 and (v) Financial Indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592 and/or (vi) derivatives on eligible assets under (i) – (v) in asset classes such as real estate, infrastructure, private equity, commodities and/or precious metals.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to money market and deposit risk.

– A failure of a deposit institution or an issuer of Money Market Investments could create losses.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 4%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[3] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[3] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Alternative Asset Classes: Asset classes including real estate, infrastructure, private equity, commodities, precious metals and Alternative Investment Funds as described in Appendix III, section "Fund Details", paragraph (I) of the Luxembourg Prospectus.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[4] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Exchange Traded Fund: An investment fund listed on a stock exchange which represents a pool of securities, commodities or currencies which typically track the performance of an index.

Investment Fund(s): A UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: In this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: The Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

MMFR: The regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on Money Market Funds, as it may be amended or supplemented from time to time.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: Shares in the Fund.

Singapore Business Day: Means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: An "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: An "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[4] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Global Target Return (the "Fund")

Product Type	Open-ended investment company	Launch Date	07/12/2016
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	SGD Hedged Class A: 1.39% to 1.58% USD Class A: 1.54% to 1.55% CNH Hedged Class A: 1.57% EUR Hedged Class A / AUD Hedged Class A: 1.58% SGD Hedged Class AX: 1.40%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income without heightened exposure to risk;
- seek a diversified, flexible investment approach which aims to deliver stable returns whilst minimising losses; and
- understand the risks of investing in a range of asset classes worldwide including shares, bonds, currencies and commodities.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income of ICE BofA 3 Month US Treasury Bill Index +5% per annum before fees have been deducted* over rolling three year periods by investing in a broad range of asset classes worldwide. There is no guarantee that the objective will be attained and your capital is at risk. If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares. Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

** For the target return# after fees for each Share Class please visit the Schroder website: https://www.schroders.com/en/lu/private-investor/investing-with-us/after-fees-performance-targets/*

 # You should note that this is the investment objective of the Fund and the

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

reference to target returns to be achieved by the Fund is not and should not be interpreted to be a prediction, projection or forecast of the future performance of the Fund. It is not indicative of the future or likely performance of the Fund.

Investment Strategy

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

The Fund is actively managed and invests directly or indirectly (through open-ended Investment Funds and derivatives) in equities and equity related securities, fixed and floating rate securities (issued by governments, government agencies, supra-nationals and companies), mortgage-backed and asset-backed securities, convertible bonds, currencies and Alternative Asset Classes (as defined in Appendix III of the Luxembourg Prospectus) such as real estate, infrastructure and commodity related transferable securities (subject to any restrictions provided in Appendix I of the Luxembourg Prospectus). The Fund may invest up to 10% of its assets indirectly in commodities.

The Fund may hold up to 40% of its assets in open-ended Investment Funds. However as the Fund grows the Investment Manager expects the Fund to hold less than 10% in open-ended Investment Funds. The Fund may invest directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend** of the MSCI World Index (hedged to USD) MSCI Emerging Market Index (unhedged), Bloomberg Global Aggregate Corporate Bond Index (hedged to USD), Bloomberg Global High Yield excl. CMBS & EMD 2% Index (hedged to USD), ICE BofA US Treasury Index (hedged to USD), JPM GBI Emerging Market Index – EM Local (unhedged) and JPM EMBI Index EM Hard Currency (hedged to USD), based on the Investment Manager's rating criteria.

The Fund intends to use derivatives (including total return swaps) with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may also invest in Money Market Investments and hold cash.

***The blend will evolve over time in line with the actual asset allocation of the Fund.*

Parties Involved

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Australia Limited.
- The Sub-Investment Managers are Schroder Investment Management North America LLC and Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

KEY RISKS

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased

the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to asset-backed / mortgaged-backed securities risk.

– Mortgage or asset-backed securities may not receive the full amounts owed to them by underlying borrowers.

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 4%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.25% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

PRODUCT HIGHLIGHTS SHEET

Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Alternative Asset Classes: asset classes including real estate, infrastructure, private equity, commodities, precious metals and Alternative Investment Funds as described in Appendix III, section "Fund Details", paragraph (I) of the Luxembourg Prospectus.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: A class of Shares with a specific fee structure.

Currency carry: This refers to the premium or discount that may apply to the distribution. Distributions may include a premium when the interest rate of a currency hedged Class is higher than the Fund's base currency interest rate. Consequently when the interest rate of a currency hedged Class is lower than the Fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the Fund's investment objective or investment policy.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): A UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: In this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: Shares in the Fund.

Singapore Business Day: Means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: An "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: An "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Dynamic Income (the "Fund")

Product Type	Open-ended investment company	Launch Date	15/01/2024
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.57% to 1.59% EUR Hedged Class A: 1.61% CNH Hedged Class A: 1.60% CHF Hedged Class A: 1.61% to 1.62% GBP Hedged Class A: 1.60% to 1.61% SGD Hedged Class A: 1.61% AUD Hedged Class A: 1.60% to 1.61% HKD Class A: 1.57% to 1.58% JPY Class A: 1.57% to 1.58%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing, directly or indirectly through derivatives, in equity and equity-related securities, fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging markets, in various currencies and Alternative Asset Classes.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide income and capital growth after fees have been deducted by investing in a diversified range of assets and markets worldwide including emerging markets. If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

The current distribution policy for the Fund is to declare distributions of 7.00% per annum of the Net Asset Value per Share on a monthly basis, on such date as may be determined by the Investment Manager, to Shareholders of the following Classes - USD A Distribution MF, HKD A Distribution MF, SGD Hedged A Distribution MF, CNH Hedged A Distribution MF, CHF Hedged A Distribution MF, JPY A Distribution MF and GBP Hedged A Distribution MF.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Distribution Policy/ Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Investment Strategy

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

The Fund is actively managed and invests directly or indirectly through derivatives in equity and equity-related securities, fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging markets, in various currencies and Alternative Asset Classes (subject to any restrictions provided in Appendix I of the Luxembourg Prospectus). The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of the Luxembourg Prospectus.

The Fund may invest:

- up to 40% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) and unrated securities;
- up to 30% of its assets in emerging markets;
- up to 20% of its assets in asset-backed securities, commercial mortgage backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages; and
- Up to 15% of its assets in Alternative Asset Classes

The Fund may invest directly in China H-Shares and may invest less than 15% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext. The Fund may also invest up to 10% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may invest in Money Market Investments and hold cash. The Fund may invest up to 10% of its assets in open-ended Investment Funds.

The Fund maintains a higher overall sustainability score than a bespoke assetweighted blend of MSCI World Index (USD), MSCI Emerging Market Index (USD), Bloomberg Global Aggregate Corporate Bond Index (USD), Bloomberg Global High Yield excl CMBS & EMD 2% Index (USD), ICE BofA US Treasury Index (USD), JPM GBI Emerging Market Index - EM Local (USD), JPM EMBI Index EM Hard Currency (USD), FTSE Global Convertible Bonds Index (USD), based on the Investment Manager's rating criteria.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Parties Involved

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Sub-Investment Manager is Schroder Investment Management North America Inc.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

KEY RISKS

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Market and Credit Risks

You are exposed to market risk.

– The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

– A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

– There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to Shanghai-Hong Kong/Shenzhen-Hong Kong Stock Connect risk.

– The Fund may be investing in China A-Shares via the Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect which may entail additional clearing and settlement, regulatory, operational and counterparty risks. These risks may include risks associated with the Small and Medium Enterprise board, the STAR Board and/or the ChiNext.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to asset-backed / mortgaged-backed securities risk.

– Mortgage or asset-backed securities may not receive the full amounts owed to them by underlying borrowers.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– The Investment Manager has the absolute discretion to determine whether a distribution is to be declared. The Investment Manager also reserves the right to review and make changes to the distribution policy from time to time. In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 4%
Switching Charge	Up to 1%
Redemption Charge	None

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.25% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

– If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.

– If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Alternative Asset Classes: Asset classes including real estate, infrastructure, private equity, commodities, precious metals and Alternative Investment Funds as described in Appendix III, section "Fund Details", paragraph (I) of the Luxembourg Prospectus.

Business Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

ChiNext: The ChiNext market of the Shenzhen Stock Exchange.

Class: A class of Shares with a specific fee structure.

Currency Carry: This refers to the premium or discount that may apply to the distribution. Distributions may include a premium when the interest rate of a currency hedged Class is higher than the Fund's base currency interest rate. Consequently when the interest rate of a currency hedged Class is lower than the Fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the Fund's investment objective or investment policy.

Dealing Day: Unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[3] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): A UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: In this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: The Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

MMFR: The regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on Money Market Funds, as it may be amended or supplemented from time to time.

Money Market Investments: Money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: Shares in the Fund.

Singapore Business Day: Means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

STAR Board: The Science, Technology and Innovation board of the Shanghai Stock Exchange.

UCI: An "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: An "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[3] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Multi-Asset Growth and Income (the "Fund")

Product Type	Open-ended investment company	Launch Date	02/07/2012
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.55% to 1.75% EUR Hedged Class A: 1.59% to 1.79% SGD Hedged Class A: 1.59% to 1.74% AUD Hedged Class A: 1.79% USD Class V / SGD Hedged Class V: N.A

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek income and capital growth; and
- understand the risks of investing in equity and equity related securities, fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide in various currencies and Alternative Asset Classes.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth and income over a three to five year period after fees have been deducted by investing in a diversified range of assets and markets worldwide.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

You should note that this is the investment objective of the Fund and the reference to income distribution or an income rate seeks to be achieved by the Fund is not and should not be interpreted to be a prediction, projection or forecast of the future performance of the Fund. It is not indicative of the future or likely performance of the Fund.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests directly or indirectly through derivatives in equity and equity-related securities, fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide in various currencies and Alternative Asset Classes (subject to any restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund may invest up to 50% directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). The Fund may invest up to 20% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages. The Fund maintains a higher overall sustainability score than 30% MSCI AC World Index (USD), 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD), 30% FTSE Convertible Global Focus index (USD) and 10% Barclays Global Aggregate Bond Index (USD), based on the Investment Manager's rating criteria.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may invest up to 10% of its assets in open-ended Investment Funds. The Fund may invest in Money Market Investments and hold cash.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

The exposure to Alternative Asset Classes is taken through eligible assets[2] as described in Appendix III of the Luxembourg Prospectus.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Sub-Investment Managers are Schroder Investment Management North America LLC and Schroder Investment Management (Hong Kong) Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to credit risk.

- A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

- The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

[2] This may include (i) transferable securities and Money Market Investments, (ii) units of closed-ended investment funds, (iii) financial instruments linked or backed to the performance of such asset class, (iv) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008 and (v) Financial Indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592 and/or (vi) derivatives on eligible assets under (i) – (v) in asset classes such as real estate, infrastructure, private equity, commodities and/or precious metals.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

You are exposed to emerging and less developed markets risk.

– Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to high yield bond risk.

– High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to distribution policy risk (only applicable to Distribution Classes).

– In respect of a Distribution Class with fixed dividends, dividends may be paid out of capital if investment income is less than the fixed dividend amount.

– Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

You are exposed to sustainability risk.

– The Fund may have limited exposure to some companies, industries or sectors and may forego certain investment opportunities or dispose of certain holdings that do not align with its sustainability criteria chosen by the Investment Manager.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5% | Class V: None
Switching Charge	Class V: None | All other classes: Up to 1%
Redemption Charge	None
Contingent Deferred Sales Charge ("CDSC")	Class V: Class V Shares are subject to a CDSC which may be payable to the Management Company or such other party as the Management Company may from time to time appoint. Class V Shares will be available for subscription during an offer period, which may be adjusted at the Management Company's discretion. At the end of such offer period Class V Shares will no longer be available for subscription. Where Class V Shares are redeemed within 3 years of the end-date of the offer period, the redemption proceeds will be subject to a CDSC at the rates set out below.

Redemption during years since end of offer period	Applicable rate of CDSC[3]
1st Year	Up to 3%
2nd Year	Up to 2%
3rd Year	Up to 1%

For V Shares that are redeemed within the offer period, the applicable CDSC rate will be up to 3%. No CDSC is payable for switches involving the same type of Class V Shares within the same Sub-Fund.

All other classes: None

[3] Percentage of Net Asset Value per Share of the Class V Shares being redeemed on the relevant Dealing Day calculated in the relevant dealing currency of the Class V Shares being redeemed.

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A and Class V: 1.25% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[4] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Please refer to paragraph 10.3 of the Prospectus for an illustration of the computation of the CDSC, where applicable.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1,000	x	$11.000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

Where CDSC is applicable, it will be deducted from the redemption proceeds at the applicable rates set out in paragraph 6 of the prospectus. An example is as follows[5]:

1,000	x	$11.000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Gross Redemption Proceeds)
11,000.00	x	3%	=	$10,670.00
(Gross Redemption Proceeds)		(CDSC)		(Net Redemption Proceeds)

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

[4] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

[5] This numerical example assumes that the Net Asset Value per Share is $11.0000 at the point of realisation and the point of realisation is within the 1st year since the end of the offer period for the relevant Class V Shares.

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Alternative Asset Classes: asset classes including real estate, infrastructure, private equity, commodities, precious metals and Alternative Investment Funds as described in Appendix III, section "Fund Details", paragraph (I) of the Luxembourg Prospectus.

Business Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: a class of Shares with a specific fee structure.

Currency carry: This refers to the premium or discount that may apply to the distribution. Distributions may include a premium when the interest rate of a currency hedged Class is higher than the Fund's base currency interest rate. Consequently when the interest rate of a currency hedged Class is lower than the Fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the Fund's investment objective or investment policy.

Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/ or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www. schroders.lu.

Distribution Shares: Shares which distribute their income. Distribution Classes may be issued with different distribution frequencies or attributes within the Fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, **T** = variable T[6] or **V** = variable

Currency carry: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Class name.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

[6] Please to the "The Sub-Funds" section of the Prospectus for further information on this distribution type

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund Commodity (the "Fund")

Product Type	Open-ended investment company	Launch Date	22/02/2021
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A: 1.89% EUR Hedged Class A: 1.92%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth; and
- understand the risks of investing primarily in a range of commodity related instruments in the energy, agriculture and metals sectors.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide capital growth in excess of the Bloomberg Commodity Total return index (BCOMTR Index) after fees have been deducted over a three to five year period by investing in commodity related instruments worldwide.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests at least two-thirds of its assets in a range of commodity related instruments, principally comprising swaps on eligible commodity financial indices, commodities through eligible assets[2] (as described in Appendix III of the Luxembourg Prospectus) and to a lesser extent in equity and equity related securities in commodity related industries worldwide.

The Fund may be exposed to a range of commodity sectors from time to time but the Investment Manager anticipates that the Fund will be primarily invested in the energy, agriculture and metals sectors.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I of the Luxembourg Prospectus).

The Fund intends to use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The net asset value of the Fund is likely to have high volatility due to its investment policies or portfolio management techniques.

Refer to the "Investment Objectives and Strategies / Product Suitability" and "Risk Factors, Investments, Derivatives and Supplementary Information" sections of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

[2] This may include (i) transferable securities and Money Market Investments, (ii) units of closed-ended investment funds, (iii) financial instruments linked or backed to the performance of such asset class, (iv) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008 and (v) Financial Indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592 and/or (vi) derivatives on eligible assets under (i) – (v) in asset classes such as real estate, infrastructure, private equity, commodities and/or precious metals.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are exposed to concentration risk.

– The Fund may be concentrated in a limited number of geographical regions, industry sectors, markets and/or individual positions. This may result in large changes in the value of the Fund, both up or down, which may adversely impact the performance of the Fund.

You are exposed to currency risk.

– The Fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

You are exposed to equity risk.

– Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

You are exposed to leverage risk.

– The Fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A: Up to 5%
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A: 1.50% per annum (a) 35% to 100% of Annual Management Fee (b) 0% to 65%[3] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

[3] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Alternative Asset Classes: asset classes including real estate, infrastructure, private equity, commodities, precious metals and Alternative Investment Funds as described in Appendix III, section "Fund Details", paragraph (I) of the Luxembourg Prospectus.

Business Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: a class of Shares with a specific fee structure.

Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.

This Product Highlights Sheet is an important document.

- **It highlights the key terms and risks of this investment product and complements the Prospectus[1].**
- **It is important to read the Prospectus before deciding whether to purchase the product. If you do not have a copy, please contact us to ask for one.**
- **You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.**
- **If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.**

Schroder International Selection Fund US Dollar Liquidity (the "Fund")

Product Type	Open-ended investment company	Launch Date	21/09/2001
Manager	Schroder Investment Management (Europe) S.A. (the Management Company)	Depositary	J.P. Morgan SE, Luxembourg Branch
Trustee	Not Applicable	Dealing Frequency	Every Dealing Day
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2025	USD Class A / USD Class A1: 0.29% / SGD Hedged Class A: 0.35%

PRODUCT SUITABILITY

WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek the provision of liquidity and the preservation of the value of their investments in the event of falling markets; and
- understand the risks of investing primarily in Money Market Instruments that are denominated in US Dollar.

Further Information
Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on product suitability.

KEY PRODUCT FEATURES

WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the "Company"). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a "société anonyme" and qualifies as a Société d'Investissement à Capital Variable ("SICAV") under Part I of the law on undertakings for collective investment dated 17 December 2010, as amended from time to time.

The Fund aims to provide income by investing in Money Market Instruments denominated in US Dollar. The Fund is designed to provide liquidity and aims to preserve the value of the investment in falling markets. The preservation of value or provision of liquidity cannot be guaranteed.

Accumulation Shares accumulate net income received from the Fund's investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares.

Shares of the Fund are prescribed capital markets products (as defined in the SF(CMP)R) and Excluded Investment Products (as defined in the Notices) ("**EIPs**"). Notwithstanding anything in the Prospectus or this product highlights sheet, the Fund will not invest in any product or engage in any transaction which may cause the Shares of the Fund not to be regarded as prescribed capital markets products under the SF(CMP)R and as EIPs under the Notices.

Hedged Classes aim to provide you with the performance returns of the Fund's investments in the Fund's base currency (USD) by reducing the effects of exchange rate fluctuations between the relevant Class currency and the Fund's base currency.

Refer to the "Important Information", "The Fund", "The Sub-Funds" and "Investment Objectives and Strategies / Product Suitability" sections of the Prospectus for further information on features of the product.

[1] The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its appointed distributors during usual office hours or accessible at http://www.schroders.com.sg.

PRODUCT HIGHLIGHTS SHEET

Investment Strategy

The Fund is actively managed and invests in Money Market Instruments (rated at least investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies in addition to receiving a favourable assessment of their credit quality pursuant to the Management Company's internal credit quality assessment procedure) that are denominated in US Dollar and issued by government, government agencies and companies worldwide provided that (i) at the time of acquisition, the residual maturity of all such securities held in the portfolio does not exceed 12 months, taking into account any financial instruments connected therewith, or (ii) the terms and conditions governing those securities provide that the applicable interest rate is adjusted at least annually on the basis of market conditions and the residual maturity of all such securities does not exceed 2 years.

The Fund may use derivatives with the aim of hedging currency and interest rate risk. The Fund may also hold cash and make deposits with a credit institution.

Refer to the "Investment Objectives and Strategies / Product Suitability" section of the Prospectus for further information on the investment strategy of the Fund.

Parties Involved

WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Europe) S.A..
- The Investment Manager is Schroder Investment Management North America LLC.
- The Depositary is J.P. Morgan SE, Luxembourg Branch.

Refer to the "The Fund", "Management and Administration" and "Other Material Information" sections of the Prospectus for further information on the role and responsibilities of these entities and what happens if they become insolvent.

KEY RISKS

WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

The value of the product and its dividends or coupons may rise or fall. These risk factors may cause you to lose some or all of your investment and your principal may be at risk:

Refer to the "Risk Factors, Investments, Derivatives and Supplementary Information" section of the Prospectus for further information on risks of the product.

Market and Credit Risks

You are exposed to market risk in US.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

You are exposed to money market and deposit risk.

- Afailure of a deposit institution or an issuer of Money Market Investments could create losses.

Liquidity Risks

You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you had originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests in a short time frame.

Product-Specific Risks

You are exposed to counterparty risk.

– The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the Fund, potentially creating a partial or total loss for the Fund.

You are potentially exposed to currency risk.

– For share classes which are not denominated in SGD, foreign currency exchange rate movements are likely to affect the returns to investors in SGD terms.

You are exposed to negative yields risk.

– When interest rates are very low or negative, the Fund's yield may be zero or negative, and you may not get back all of your investment.

You are exposed to interest rate risk.

– A rise in interest rates generally causes bond prices to fall.

You are exposed to derivatives risk.

– The Fund may use derivatives as part of the investment process with the aim of hedging currency and interest rate risk. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk. The use of derivatives for hedging purposes is expected to be minimal.

FEES AND CHARGES

WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?

Refer to the "Charges and Expenses" section of the Prospectus for further information on the fees and charges.

Payable directly by you

You will need to pay the following fees and charges as a percentage of your gross investment sum:

Initial Charge	Class A and Class A1: None
Switching Charge	Up to 1%
Redemption Charge	None

Some distributors may charge other fees which are not listed in the Prospectus, and you should check with the relevant distributor if there are any other fees payable to the distributor.

Payable by the Fund from invested proceeds

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee (a) Retained by Management Company (b) Paid by Management Company to financial adviser (trailer fee)	Class A and Class A1: 0.20% per annum (a) 30% to 100% of Annual Management Fee (b) 0% to 70%[2] of Annual Management Fee
Performance Fee	Not Applicable
Custody Fee	Up to a maximum of 0.3% per annum and US$75 per transaction
Administration Fee	Up to 0.25% per annum
Accounting and Valuation Fee	Up to 0.0083% per annum
Share Class Hedging Charge (to be borne by the Hedged Classes)	Up to 0.03%

[2] Your financial adviser is required to disclose to you the amount of trailer fee it receives from the Management Company.

VALUATIONS AND EXITING FROM THIS INVESTMENT

HOW OFTEN ARE VALUATIONS AVAILABLE?

The net asset value of the Shares of the Fund is published at the Singapore Representative's website at http://www.schroders.com.sg normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?

You may redeem Shares by completing a share redemption form ("Redemption Request") and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Transfer Agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 calendar days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Transfer Agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

1000	x	$11.0000	=	$11,000.00
(Number of Shares)		(Net Asset Value per Share)		(Redemption Proceeds)

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

Refer to the "Redemption of Shares", "No Right of Cancellation of Subscriptions" and "Obtaining Price Information" sections of the Prospectus for further information on valuation and exiting from the product.

CONTACT INFORMATION

HOW DO YOU CONTACT US?

For enquiries, please contact

Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01, CapitaGreen
Singapore 048946 Tel: +65 6534 4288
Website: http://www.schroders.com.sg

Distributor

The Singapore Representative

APPENDIX: GLOSSARY OF TERMS

Accumulation Shares: Shares which accumulate their net income so that the income is included in the price of the Shares.

Business Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

Class: a class of Shares with a specific fee structure.

Dealing Day: unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site www.schroders.lu.

Investment Fund(s): a UCITS or other UCI in which the Fund may invest, as determined in the investment rules described in Appendix I of the Luxembourg Prospectus.

Launch Date: in this product highlights sheet only, means the inception date of the relevant Class with the earliest inception date.

Luxembourg Prospectus: the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

Money Market Fund Regulation or MMFR: the regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on Money Market Funds, as it may be amended or supplemented from time to time.

Money Market Instruments: instruments as defined in Article 2(1)(o) of the UCITS Directive and as referred to in Article 3 of Commission Directive 2007/16/EC which meet the conditions of MMFR.

Money Market Investments: money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time.

Notices: means the MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products, as may be amended from time to time.

Schroders: the Management Company's ultimate holding company and its subsidiaries and affiliates worldwide.

SF(CMP)R: means the Securities and Futures (Capital Markets Products) Regulations 2018, as may be amended from time to time.

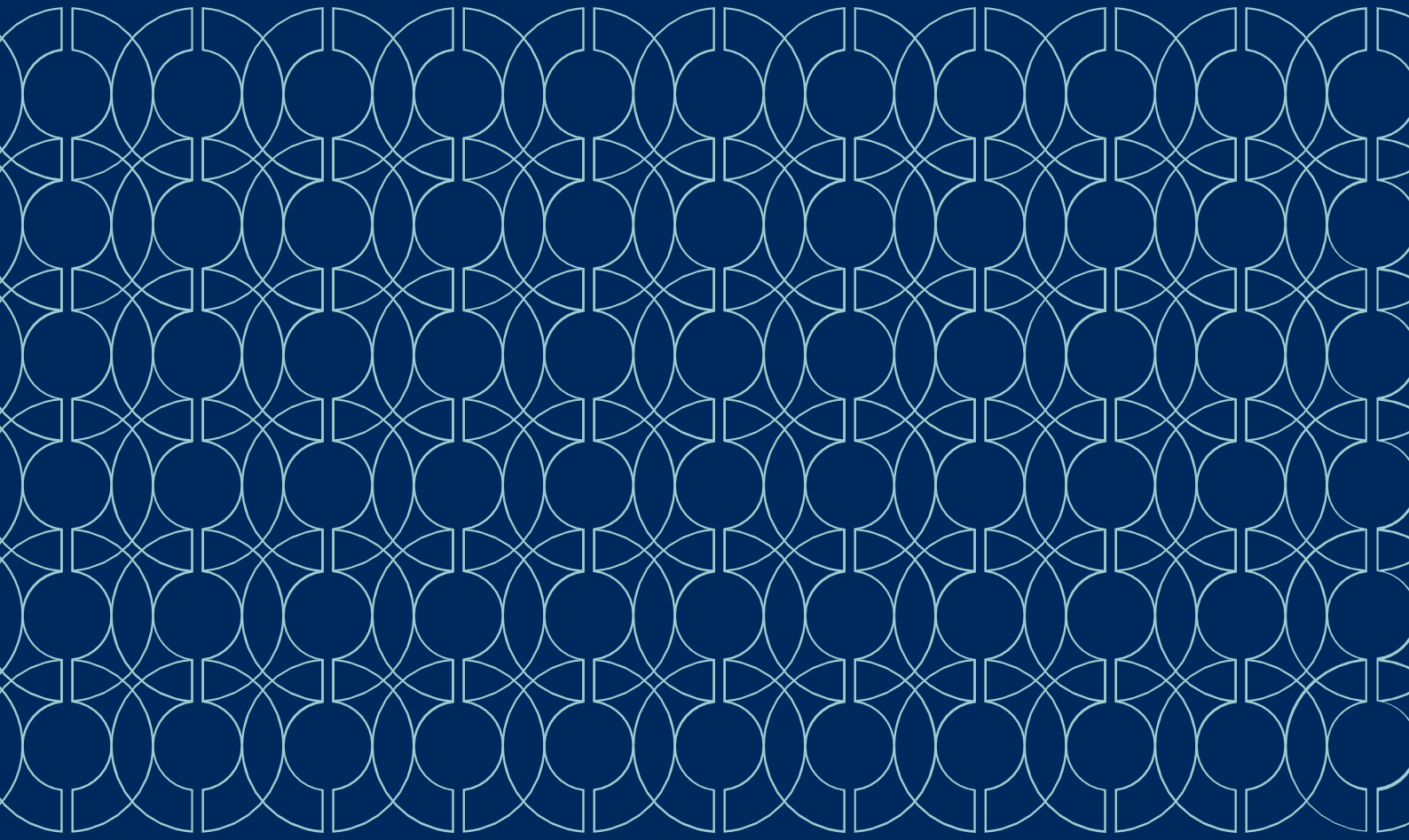
Shares: shares in the Fund.

Singapore Business Day: means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.

US: the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction.

UCI: an "undertaking for collective investment" within the meaning of Article 2(2) of the law on undertakings for collective investment dated 17 December 2010, as amended.

UCITS: an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1(2) of the Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS.



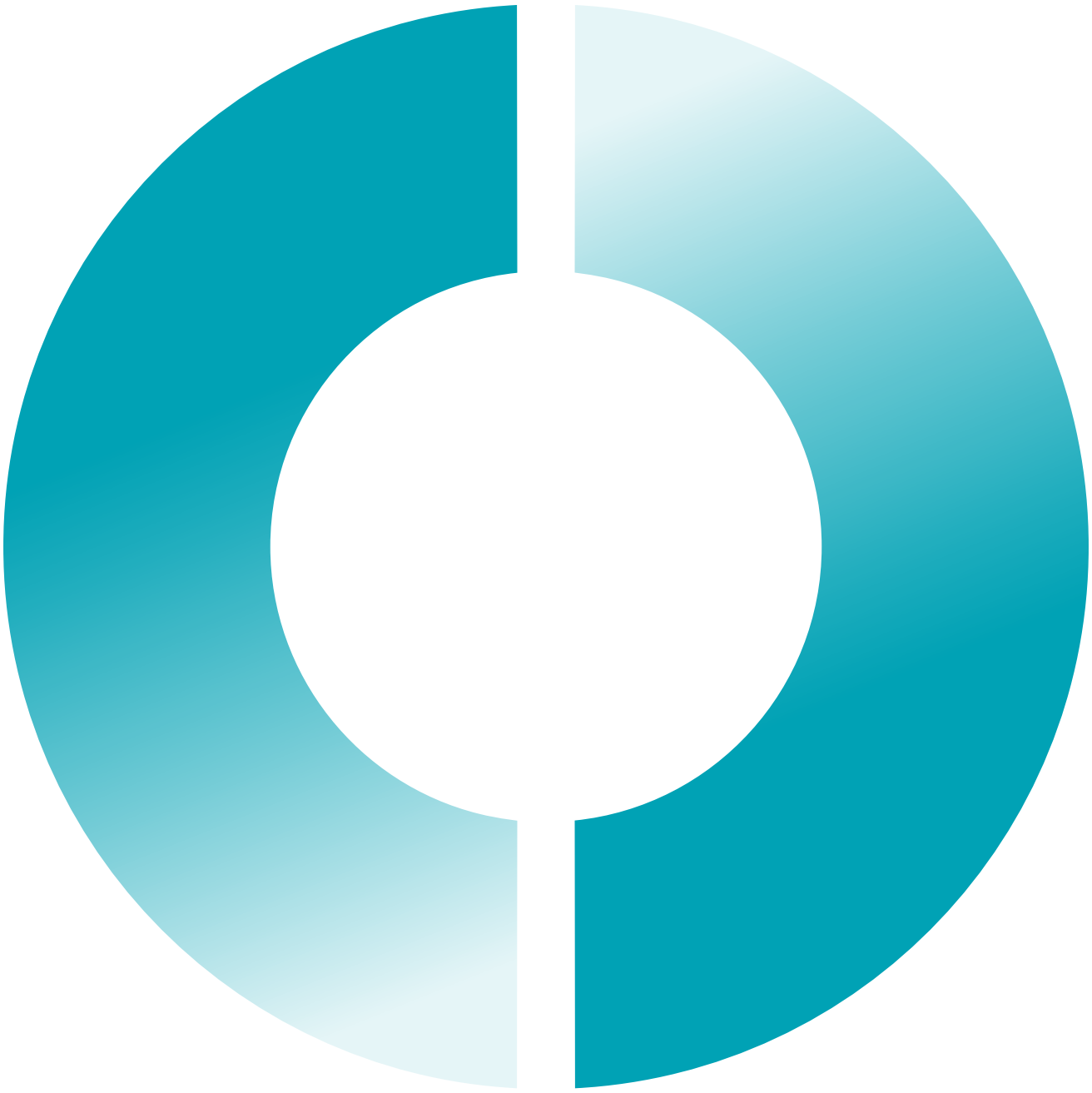
Schroder Investment Management (Singapore) Ltd
138 Market Street, #23-01 CapitaGreen, Singapore
048946, or call our Customer Help Line at 1800 534 4288

Schroder International Selection Fund

Prospectus

September 2026

Luxembourg



(a Luxembourg domiciled open-ended investment company)

Schroders

Schroder International Selection Fund
(a Luxembourg domiciled open-ended investment company)

Prospectus

September 2026

Schroder Investment Management (Europe) S.A.
Webpage: www.schroders.com

Important Information

Copies of this Prospectus can be obtained from and enquiries regarding the Company should be addressed to:

Schroder Investment Management (Europe) S.A.
5, Heienhaff
L-1736 Senningerberg
Grand Duchy of Luxembourg
Tel: (+352) 341 342 202
Fax: (+352) 341 342 342

This prospectus (the "Prospectus") should be read in its entirety before making any application for Shares. If you are in any doubt about the contents of this Prospectus you should consult your financial or other professional adviser.

Shares are offered on the basis of the information contained in this Prospectus and the documents referred to herein.

No person has been authorised to issue any advertisement or to give any information, or to make any representations in connection with the offering, placing, subscription, sale, switching or redemption of Shares other than those contained in this Prospectus and, if issued, given or made, such advertisement, information or representations must not be relied upon as having been authorised by the Company or the Management Company. Neither the delivery of this Prospectus nor the offer, placement, subscription or issue of any of the Shares shall under any circumstances create any implication or constitute a representation that the information given in this Prospectus is correct as of any time subsequent to the date hereof.

The Directors, whose names appear below, have taken all reasonable care to ensure that the information contained in this Prospectus is, to the best of their knowledge and belief, in accordance with the facts and does not omit anything material to such information. The Directors accept responsibility accordingly.

The distribution of this Prospectus and supplementary documentation and the offering of Shares may be restricted in certain countries. Investors wishing to apply for Shares should inform themselves as to the requirements within their own country for transactions in Shares, any applicable exchange control regulations and the consequences of any transaction in Shares.

This Prospectus does not constitute an offer or solicitation by anyone in any country in which such offer or solicitation is not lawful or authorised, or to any person to whom it is unlawful to make such offer or solicitation.

Investors should note that not all of the protections provided under their relevant regulatory regime may apply and there may be no right to compensation under such regulatory regime, if such scheme exists.

For the purposes of the General Data Protection Regulation 2016/679 (“GDPR”), the data controllers in relation to any personal data you supply are the Company and the Management Company.

In order to comply with the obligations and responsibilities under the GDPR, the Company and the Management Company are required by law to make available to you a privacy policy which details how Schroders collect, use, disclose, transfer, and store your information. Please find a copy of the privacy policy at www.schroders.com/en/privacy-policy. You hereby acknowledge that you have read and understood the contents of the privacy policy.

Investors should note that investor data (such as name and address) may be transferred by or on Schroder Investment Management (Europe) S.A.’s behalf to certain third party service providers, such as paying agents or facilities agents, in the EEA, Switzerland, the UK, Hong Kong and India. The list of countries will be updated prior to any transfer of investor data to a third-party service provider located in a new country and investors will be notified via a notice on the website https://www.schroders.com/en-lu/lu/professional/funds-and-strategies/notifications/schroder-isf/

The distribution of this Prospectus in certain countries may require that this Prospectus be translated into the languages specified by the regulatory authorities of those countries. Should any inconsistency arise between the translated and the English version of this Prospectus, the English version shall always prevail.

The Management Company may use telephone recording procedures to record any conversation. Investors are deemed to consent to the recording of conversations with the Management Company and to the use of such recordings by the Management Company and/or the Company in legal proceedings or otherwise at their discretion.

The price of Shares in the Company and the income from them may go down as well as up and an Investor may not get back the amount invested.

For each Fund that has environmental and/or social characteristics (within the meaning of Article 8 SFDR) or has the objective of sustainable investment (within the meaning of Article 9 SFDR) information about such characteristics or objective is available in the pre-contractual disclosures for each Fund in Appendix IV.

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Definitions

ABCP(s)

asset backed commercial paper(s)

Accumulation Shares

shares which accumulate their net income so that the income is included in the price of the shares

Alternative Asset Classes

asset classes including real estate, infrastructure, private equity, commodities, precious metals and Alternative Investment Funds as described in Appendix III, section "Fund Details", paragraph (I)

Annual Distribution Charge

the cost charged for the distribution of the Funds in this Prospectus, expressed as a percentage of the net assets

Annual Management Charge

the cost charged for the investment management of the Funds in this Prospectus, expressed as a percentage of the net assets

Articles

the articles of association of the Company as amended from time to time

Asia

China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand and other economies in the Asian continent including but not limited to Bangladesh, Brunei, Cambodia, Pakistan, Mongolia, Myanmar, Nepal, Sri Lanka, Bhutan, East Timor, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan and Vietnam

Asia Pacific

China, Hong Kong, India, Indonesia, Japan, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Australia, New Zealand and other economies in the Asian continent including but not limited to Bangladesh, Brunei, Cambodia, Pakistan, Mongolia, Myanmar, Nepal, Sri Lanka, Bhutan, East Timor, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, Uzbekistan and Vietnam

AUD

Australian Dollar

Avoided Emissions

emission reductions that occur as a result of the use of a product or service. Avoided emissions represent the emissions savings that are derived as a result of greater efficiencies in terms of impact on the climate within that product or service. The concept of avoided emissions applies across many industries; examples may include products that avoid emissions by including thermal insulation to help reduce heat loss; teleconferencing services that limit the need for long distance travel; or energy-efficient lightbulbs that consume less electricity.

Bond Connect

a bond trading link between China and Hong Kong which allows foreign institutional investors to invest in onshore Chinese bonds and other debt instruments traded on the China Interbank Bond Market ("CIBM"), Bond Connect provides foreign institutional investors a more streamlined access to the CIBM

BRL

Brazilian Real

Business Day

unless otherwise provided in the Fund's details in Appendix III, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day

CHF

Swiss Franc

China A-Shares

equity securities of Chinese companies listed and traded in RMB on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges

China B-Shares

equity securities of Chinese companies listed and traded in HKD or USD on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges

China H-Shares

equity securities of Chinese companies listed and traded in Hong Kong Stock Exchange or other foreign exchanges

Company

Schroder International Selection Fund

CSSF

Commission de Surveillance du Secteur Financier (Luxembourg Financial Sector Supervisory Authority)

CSSF Circular 14/592

the CSSF Circular 14/592 relating to the Guidelines on the European Securities and Markets Authority (ESMA) on ETFs and other UCITS issues

Dealing Day

unless otherwise provided in the Fund's details in Appendix III, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the Net Asset Value per Share of the relevant Fund. The Management Company

may also take into account whether relevant local stock exchanges and / or Regulated Markets are closed for trading and settlement, and may elect to treat such closures as non-Dealing Days for Funds which invest a substantial amount of their portfolio on these closed stock exchanges and/or Regulated Markets. A list of expected non-Dealing Days for the Funds is available from the Management Company on request and is also available on the webpage www.schroders.com

Depositary

J.P. Morgan SE, Luxembourg Branch, acting as depositary bank and fund administrator

Directors or Board of Directors

the board of directors of the Company

Distributor

a person or entity duly appointed from time to time by the Management Company to distribute or arrange for the distribution of Shares

Distribution Period

the period from one date on which dividends are paid by the Company to the next. This may be annual or shorter where dividends are paid more regularly

Distribution Shares

shares which distribute their income

EEA

European Economic Area

Eligible Asset

a transferable security of any kind or any other permitted asset as more fully described in Appendix I 1.A

Eligible State

includes any member state of the European Union ("EU"), any member state of the Organisation for Economic Co-operation and Development ("OECD"), and any other state which the Directors deem appropriate

EMU

Economic and Monetary Union

ESG

Environmental, social and governance considerations

EU

European Union

EUR

the European currency unit (also referred to as the Euro)

Exchange Traded Fund

an investment fund listed on a stock exchange (including, but not limited to, an Investment Fund) which represents a pool of securities, commodities or currencies which typically track the performance of an index. Exchange Traded Funds (ETFs) are traded like shares. Investment in open-ended or closed-ended ETFs will be allowed if they qualify as (i) UCITS or other UCIs or (ii) transferable securities, respectively.

Financial Indices

means any index compliant with Article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592

Fund

a specific portfolio of assets and liabilities within the Company having its own net asset value and represented by a separate Share Class or Share Classes

GBP

Great British Pound

Green Bond Principles

Green Bond Principles are voluntary process guidelines issued by the International Capital Market Association (ICMA) that recommend transparency and disclosure and promote integrity in the development of the Green Bond market by clarifying the approach for the issuance of a Green Bond. The Green Bond Principles are based on four core components: (i) use of proceeds, (ii) process for project evaluation and selection, (iii) management of proceeds, and (iv) reporting, as well as recommendations for the use of external reviews.

Gross Asset Value

the amount of assets determined on the basis of the value of the assets of the Fund excluding liabilities of the Fund

HKD

Hong Kong Dollar

Institutional Investor

an investor, whether established in Luxembourg or elsewhere, within the meaning of article 174(2) of the Law, which means the following:

- Institutional Investors stricto sensu, such as banks and other financial sector professionals, insurance and reinsurance companies, other companies, social security institutions and pension funds, sovereign wealth funds and official institutions, all subscribing on their own behalf, and the structures such Institutional Investors put into place for the management of their own assets;
- Credit institutions and other financial sector professionals (including but not limited to discretionary investment managers) investing in their own name but on behalf of Institutional Investors described above, including on the basis of a discretionary management mandate;

- Credit institutions and other financial sector professionals (including but not limited to discretionary investment managers) investing in their own name but on behalf of non institutional clients on the basis of a discretionary management mandate;
- Collective investment undertakings;
- Holding companies and similar entities whose shareholders are Institutional Investors as described in the above paragraphs;
- Holding companies and similar entities whose shareholder(s)/ beneficial owner(s) is/are individual(s) who may reasonably be regarded as sophisticated investor(s) and where the purpose of the holding company is to hold important financial interests/ investments for an individual or a family;
- Holding companies and similar entities which as a result of their structure and activity have a true substance and hold important financial interests / investments.

Investment Fund(s)

a UCITS or other UCI in which the Funds may invest, as determined in the investment rules described in Appendix I

Investment Trust(s)

a closed-ended investment company that invests in shares of other companies. An Investment Trust is classified as a transferable security, and thereby qualifies as an eligible investment for a UCITS under the Luxembourg Law, if it is listed on a Regulated Market. Investments in Investment Trusts which are not listed on a Regulated Market, are currently limited to 10% of the Net Asset Value of a Fund under Luxembourg Law (together with any other investments made in accordance with investment restriction 1. A(9) in Appendix I).

Investor

a subscriber for Shares

JPY

Japanese Yen

Law

the law on undertakings for collective investment dated 17 December 2010, as amended from time to time

Management Company

Schroder Investment Management (Europe) S.A.

Market Neutral

Sub-Funds following this strategy attempt to exploit market inefficiencies between stocks via pair trades or baskets of stocks. This is achieved by investing similar amounts long and short in related companies. The companies will typically have similar characteristics, such as sector, industry, country or market capitalisation.

Mark-to-Market

the valuation, in accordance with Article 29(3) of MMFR, of positions at readily available closing prices that are sourced independently, including exchange prices, screen prices, or quotes from several independent reputable brokers

Mark-to-Model

any valuation, in accordance with Article 29(4) of MMFR, which is benchmarked, extrapolated or otherwise calculated from one or more market inputs

Money Market Fund Regulation or MMFR

the regulation (EU) 2017/1131 of the European Parliament and of the Council of 14 June 2017 on Money Market Funds, as it may be amended or supplemented from time to time

Money Market Fund

an undertaking for collective investment authorised in accordance with the MMFR subject to specific provisions disclosed in Appendix III to this Prospectus

Money Market Instruments

instruments as defined in Article 2(1)(o) of the UCITS Directive and as referred to in Article 3 of Commission Directive 2007/16/EC which meet the conditions of MMFR

Money Market Investments

money market instruments as defined under the UCITS Directive, specifically instruments normally dealt on the money market which are liquid and have a value which can be accurately determined at any time

Net Asset Value

Net Asset Value per Share (as described below) multiplied by the number of Shares

Net Asset Value per Share

the value per Share of any Share Class determined in accordance with the relevant provisions described under the heading "Calculation of Net Asset Value" as set out in Section 2.4 or, if applicable, under the heading “Specific provisions on the calculation of the Net Asset Value per Share of Funds qualifying as Money Market Funds” in Appendix III

OTC

over-the-counter

Nordic

the region of Denmark, Finland, Iceland, Norway and Sweden

Paris Agreement

the Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming to below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels.

Real Estate Investment Fund or REIT

is an entity that is dedicated to owning, and in most cases, managing real estate. This may include, but is not limited to, real estate in the residential (apartments), commercial (shopping centres, offices) and industrial (factories, warehouses) sectors. Certain REITs may also engage in real estate financing transactions and other real estate development activities. The legal structure of a REIT, its investment restrictions and the regulatory and taxation regimes to which it is subject will differ depending on the jurisdiction in which it is established. Investment in REITs will be allowed if they qualify as transferable securities. A closed-ended REIT, the units of which are listed on a Regulated Market is classified as a transferable security listed on a Regulated Market thereby qualifying as an eligible investment for a UCITS under the Luxembourg Law.

Reference Currency

the currency in which a Share Class is offered to Investors

Regulated Market

a market within the meaning of Article 4 (1) (21) of the Directive 2014/65/EC of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments or another regulated market, which operates regularly and is recognised and open to the public in an Eligible State

Regulations

the Law as well as any present or future related Luxembourg laws or implementing regulations, circulars and CSSF's positions

Reporting Fund

a Fund or a Share Class that complies with UK HMRC's tax regime for offshore funds and therefore has a certain tax status relevant for UK tax paying Shareholders

RMB

Renminbi, the official currency of the People's Republic of China; is used to denote the Chinese currency traded in the onshore and the offshore markets (primarily in Hong Kong). For clarity purposes, all the references to RMB in the name of a Fund or in its reference currency must be understood as a reference to offshore RMB.

Schroders

the Management Company's ultimate holding company and its subsidiaries and affiliates worldwide

Schroder Funds

investment funds managed by a member of the Schroders corporate group

SFDR

Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

SGD

Singapore Dollar

Share

a share of no par value in any one Share Class in the capital of the Company

Share Class

a class of Shares with a specific fee structure

Shareholder

a holder of Shares

Standard Variable Net Asset Value Money Market Fund

a Money Market Fund that (i) invests in Money Market Instruments referred to in Article 10 (1) and (2) of the MMFR, (ii) is subject to the portfolio rules set out in Article 25 of the MMFR and (iii) complies with the specific requirements laid down in Articles 29, 30 and 33 (1) of the MMFR

Taxonomy

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment

Transfer Agent

HSBC Continental Europe, Luxembourg, acting as the provider of registrar and transfer agency services

UCITS

an "undertaking for collective investment in transferable securities" within the meaning of points a) and b) of Article 1 (2) of the UCITS Directive

UCI

an "undertaking for collective investment" within the meaning of Article 1 (25) of the Law

UCITS Directive

Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009, as amended, on the coordination of laws, regulations and administrative provisions relating to UCITS

UCITS Risk Measurement Rules

the rules applying to UCITS in the context of risk measurement and calculation of global exposure, including the ESMA guidelines 10-788, CSSF Regulation 10-4 and CSSF Circular 11/512 and any applicable regulations or guidelines in this context

UK

United Kingdom

UN SDGs

United Nations Sustainable Development Goals

USA or US

the United States of America (including the States and the District of Columbia), its territories, its possessions and any other areas subject to its jurisdiction

USD

United States Dollar

Weighted Average Life

the average length of time to legal maturity of all of the underlying assets in a Money Market Fund reflecting the relative holdings in each asset

Weighted Average Maturity

the average length of time to legal maturity or, if shorter, to the next interest rate reset to a money market rate, of all of the underlying assets in a Money Market Fund reflecting the relative holdings in each asset

All references herein to time are to Luxembourg Time unless otherwise indicated.

Words importing the singular shall, where the context permits, include the plural and vice versa.

Board of Directors

Chairman

- **Eric BERTRAND**
  Non-Executive Director
  Vaults 13-16
  Valletta Waterfront
  FRN 1914
  Malta

Directors

- **Carla BERGARECHE**
  Head of Wealth Strategic Partnerships
  Schroder Investment Management (Europe) S.A., Spanish branch
  Pinar 7, 4th Floor
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  Spain

- **Bernard HERMAN**
  Independent Director
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  26, rue Glesener
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  Grand Duchy of Luxembourg

- **Hugh MULLAN**
  Independent Director
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  L-1736 Senningerberg
  Grand Duchy of Luxembourg

- **Ross LEACH**
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  United Kingdom

- **Wim NAGLER**
  Head of Business Development, EMEA
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  1 Rue Euler
  75008 Paris
  France

- **Peter NELSON**
  Head of Product Development
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  One London Wall Place
  London EC2Y 5AU
  United Kingdom

- **Yves FRANCIS**
  Independent Director
  5, Heienhaff
  L-1736 Senningerberg
  Grand Duchy of Luxembourg

Administration

Registered Office

5, Heienhaff
L-1736 Senningerberg
Grand Duchy of Luxembourg

Management Company and Domiciliary Agent

Schroder Investment Management (Europe) S.A.
5, Heienhaff
L-1736 Senningerberg
Grand Duchy of Luxembourg

Investment Managers

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  Talstrasse 11
  8001 Zurich
  Switzerland

- Schroder Investment Management Limited
  One London Wall Place
  London EC2Y 5AU
  United Kingdom

- Schroder Investment Management Australia Limited
  Level 17, 39 Martin Place
  Sydney NSW 2000
  Australia

- Schroder Investment Management North America Inc.
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  New York 10018-3706
  United States of America

- Schroder Investment Management (Hong Kong) Limited
  Level 33, Two Pacific Place
  88 Queensway
  Hong Kong

- Schroder Investment Management (Japan) Limited
  21st Floor Marunouchi Trust Tower Main, 1-8-3
  Marunouchi, Chiyoda-Ku
  Tokyo 100-0005
  Japan

- Schroder Investment Management (Singapore) Ltd
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  #23-01 CapitaGreen
  Singapore 048946

- Schroder Investment Management (Europe) S.A. – German Branch
  Taunustor 1 (TaunusTurm)
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  Germany

- BlueOrchard Finance Ltd
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  8001 Zurich
  Switzerland

- Schroder Investment Management (Europe) S.A. – Finnish Branch
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  00100 Helsinki
  Finland

- Schroder Investment Management (Europe) S.A. – Swedish Branch
  Norrlandsgatan 18, 2nd floor
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  Stockholm
  Sweden

Depositary and Administrator

J.P. Morgan SE, Luxembourg Branch
European Bank & Business Centre
6, route de Trèves
L-2633 Senningerberg
Grand Duchy of Luxembourg

Independent Auditors

KPMG Audit S.à r.l.
39, Avenue John F. Kennedy
L-1855 Luxembourg
Grand Duchy of Luxembourg

Principal Legal Adviser

Elvinger Hoss Prussen, *société anonyme*
2, place Winston Churchill
L-1340 Luxembourg
Grand Duchy of Luxembourg

Principal Paying Agent

HSBC Continental Europe, Luxembourg
18, Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg

Transfer Agent

HSBC Continental Europe, Luxembourg
18, Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg

Section 1

1. The Company

1.1. Structure

The Company is an open-ended investment company organised as a "société anonyme" under the laws of the Grand Duchy of Luxembourg and qualifies as a Société d'Investissement à Capital Variable ("SICAV"). The Company operates separate Funds, each of which is represented by one or more Share Classes. The Funds are distinguished by their specific investment policy or any other specific features.

The Company constitutes a single legal entity, but the assets of each Fund shall be invested for the exclusive benefit of the Shareholders of the corresponding Fund and the assets of a specific Fund are solely accountable for the liabilities, commitments and obligations of that Fund.

The Directors may at any time resolve to set up new Funds and/or create within each Fund one or more Share Classes and this Prospectus will be updated accordingly. The Directors may also at any time resolve to close a Fund, or one or more Share Classes within a Fund to further subscriptions.

Certain Shares may be listed on the Luxembourg Stock Exchange as well as any other recognised stock exchange.

1.2. Investment Objectives and Policies

The exclusive objective of the Company is to place the funds available to it in transferable securities and other permitted assets of any kind, including derivatives, with the purpose of spreading investment risks and affording its Shareholders the results of the management of its portfolios.

The specific investment objective and policy of each Fund is described in Appendix III.

The investments of each Fund shall at any time comply with the restrictions set out in Appendix I or in Appendix III as appropriate. Investors should, prior to any investment being made, take due account of the risks of investments set out in Appendix II or in Appendix III as appropriate.

Section 2

2. Share Dealing

2.1. Subscription for Shares

How to subscribe

Investors subscribing for Shares for the first time should complete an application form and send it with applicable identification documents by post to the Transfer Agent. Application forms may be accepted by facsimile transmission or other means approved by the Transfer Agent, provided that the original is immediately forwarded by post. If completed application forms and cleared funds are received by the Transfer Agent for any Dealing Day before 13.00, unless otherwise specified in Appendix III, Shares will normally be issued at the relevant Net Asset Value per Share, as defined under "Calculation of Net Asset Value", determined on the Dealing Day (plus any applicable initial charge). For completed applications received after 13.00, Shares will normally be issued at the relevant Net Asset Value per Share on the immediately following Dealing Day (plus any applicable initial charge).

Each Investor will be given a personal account number which, along with any relevant transaction number, should be quoted on any payment by bank transfer. Any relevant transaction number and the personal account number should be used in all correspondence with the Transfer Agent or any Distributor.

Different subscription procedures may apply if applications for Shares are made through Distributors.

All applications to subscribe for Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.

However, the Directors may permit, if they deem it appropriate, different dealing cut-off times to be determined in justified circumstances, such as distribution to Investors in jurisdictions with a different time zone. Such different dealing cut-off times may either be specifically agreed upon with Distributors or may be published in any supplement to the Prospectus or other marketing document used in the jurisdiction concerned. In such circumstances, the applicable dealing cut-off time applied to Shareholders must always precede the valuation point of the Funds for that Dealing Day.

In respect of the Funds with a dealing cut-off time of 13.00 on the preceding Dealing Day, as specified in Appendix III, if application forms and cleared funds are received before 13.00 on the preceding Dealing Day, Shares will normally be issued at the relevant Net Asset Value per Share, as defined below under "Calculation of Net Asset Value", determined on the immediately following Dealing Day (plus any applicable initial charge). For completed applications received after 13.00 on the preceding Dealing Day, Shares will normally be issued at the relevant Net Asset Value per Share on the second following Dealing Day (plus any applicable initial charge).

Subsequent subscriptions for Shares do not require completion of an additional application form. However, Investors shall provide written instructions as agreed with the Transfer Agent to ensure smooth processing of subsequent subscriptions. Instructions may also be made by letter, facsimile transmission, in each case duly signed, or such other means approved by the Transfer Agent.

Confirmations of transactions will normally be dispatched on the Business Day following the execution of subscription instructions. Shareholders should promptly check these confirmations to ensure that they are correct in every detail. Investors are advised to refer to the terms and conditions on the application form to inform themselves fully of the terms and conditions to which they are subscribing.

How to pay

Payment should be made by electronic bank transfer net of all bank charges (i.e. at the Investor's expense). Further settlement details are available on the application form.

Shares are normally issued once settlement in cleared funds is received. In the case of applications from approved financial intermediaries or other investors authorised by the Management Company, the issue of Shares is conditional upon the receipt of settlement within a previously agreed period not exceeding three Business Days from the relevant Dealing Day unless otherwise specified in Appendix III. Any non-Dealing Days for a Fund falling within the settlement period are excluded from the calculation of the settlement date. If, on the settlement date, banks are not open for business in the country of the currency of settlement, then settlement will be on the next Business Day on which those banks are open. Payment should arrive in the appropriate bank account, as specified in the settlement instructions, at the latest by 17:00 on the settlement date. Payments received after this time may be considered to have settled on the next Business Day on which the bank is open. If timely settlement is not made, an application may lapse and be cancelled at the cost of the applicant or his/her financial intermediary. Failure to make good settlement by the settlement date may result in the Company bringing an action against the defaulting Investor or his/her financial intermediary or deducting any costs or losses incurred by the Company, Management Company or Transfer Agent against any partial settlement made or existing holding of the applicant in the Company. No interest will be payable on any money returnable to the Investor held by the Management Company or Transfer Agent pending confirmation of a transaction. Payments in cash will not be accepted. Third party payments will only be accepted at the Management Company's discretion.

Different settlement procedures may apply if applications for Shares are made through Distributors.

Currency Exchange Service

Payments to and from the Shareholder should normally be made in the currency of the relevant Share Class. However, if the Shareholder selects a currency other than the currency of the relevant Share Class for any payments to or from the Company, this will be deemed to be a request by the Shareholder to the Management Company acting on behalf of the Company to provide a foreign exchange service (provided by the Transfer Agent on the Management Company's behalf) to the Shareholder in respect of such payment. Details of the charge applied to foreign exchange transactions, which is retained by the Management Company, are available upon request from the Management Company acting on behalf of the Company. The cost of currency conversion and other related expenses will be borne by the

relevant Investor. This currency exchange service will not be available for certain Funds, as indicated in Appendix III. For such Funds, payments to and from the Shareholder shall be made in the currency of the relevant Share Class.

Price Information

The Net Asset Value per Share of one or more Share Classes is published daily in such newspapers or other electronic services as determined from time to time by the Directors. It may be made available on the Schroder Investment Management (Europe) S.A. webpage www.schroders.com, and is available from the registered office of the Company unless otherwise provided for in Appendix III in respect of a Money Market Fund.

Neither the Company nor the Distributors accept responsibility for any error in publication or for non-publication of the Net Asset Value per Share.

Types of Shares

Shares are issued only in registered form. Registered Shares are in non-certificated form. Fractional entitlements to registered Shares will be rounded to two decimal places (unless otherwise agreed with the Management Company). Shares may also be held and transferred through accounts maintained with clearing systems.

General

Instructions to subscribe, once given, are irrevocable, except in the case of a suspension or deferral of dealing. The Management Company and/or the Company in their absolute discretion reserve the right to instruct the Transfer Agent to reject any application in whole or in part. If an application is rejected, any subscription money received will be refunded at the cost and risk of the applicant without interest. Prospective applicants should inform themselves as to the relevant legal, tax and exchange control regulations in force in the countries of their respective citizenship, residence or domicile.

The Management Company may have agreements with certain Distributors pursuant to which they agree to act as or appoint nominees for Investors subscribing for Shares through their facilities. In such capacity, the Distributor may effect subscriptions, switches and redemptions of Shares in nominee name on behalf of individual Investors and request the registration of such operations on the register of Shareholders of the Company in nominee name. The Distributor or nominee maintains its own records and provides the Investor with individualised information as to its holdings of Shares. Except where local law or custom proscribes the practice, Investors may invest directly in the Company and not avail themselves of a nominee service. Unless otherwise provided by local law, any Shareholder holding Shares in a nominee account with a Distributor has the right to claim, at any time, direct title to such Shares.

The Management Company draws however the Investors' attention to the fact that any Investor will only be able to fully exercise his Shareholder rights directly against the Company, if the Investor is registered himself and his own name in the Shareholders' register. In cases where an Investor invests in the Company through a Distributor or a nominee investing into the Company in his own name but on behalf of the Investor, it may not always be possible for the Investor to exercise certain Shareholder rights directly against the Company or to be indemnified directly from the Company in case of Net Asset Value calculation errors and/or non-compliance with investment rules and/or other errors at the level of a Fund. Investors are advised to take advice on their rights.

Subscriptions in Kind

The Board of Directors may from time to time accept subscriptions for Shares against contribution in kind of securities or other assets which could be acquired by the relevant Fund pursuant to its investment policy and restrictions. Any such subscriptions in kind will be made at the Net Asset Value of the assets contributed calculated in accordance with the rules set out in Section 2.4 or, if applicable, under the heading “Specific provisions relating to the calculation of the Net Asset Value per Share” in Appendix III: Additional Information for Money Market Funds hereafter and will be the subject of an independent auditor's report drawn up in accordance with the requirements of Luxembourg law and will be at the subscriber's expense.

Should the Company not receive good title on the assets contributed this may result in the Company bringing an action against the defaulting Investor or his/her financial intermediary or deducting any costs or losses incurred by the Company or Management Company against any existing holding of the applicant in the Company.

Anti-Money Laundering Procedures

Pursuant to international norms and Luxembourg laws and regulations (comprising but not limited to the law of 12 November 2004 relating to the fight against money laundering and terrorism financing, as amended, and the Grand-Ducal Regulation of 1st February 2010 providing details on certain provisions of the amended law of 12 November 2004 and the amended CSSF Regulation 12-02 of 14 December 2012 on the fight against money laundering and terrorist financing as amended by CSSF Regulation 20-05) obligations have been imposed on all professionals in the financial sector to prevent money laundering and terrorism financing.

As a result of such provisions, the Management Company, acting on behalf of the Company, has delegated the performance of due diligence and ongoing due diligence, in accordance with Luxembourg laws and regulations. To fulfil this requirement, the Transfer Agent (on behalf of the Management Company) has established a procedure to identify all the Company's Investors. The Transfer Agent (on behalf of the Management Company) may request any information and supporting documentation it deems necessary, including information about beneficial ownership, source of funds and origin of wealth. In any case, the Management Company and/or Transfer Agent may require, at any time, additional documentation to comply with applicable legal and regulatory requirements.

In case of delay or failure by an Investor to provide the documents required, an application for subscription or, if applicable, any other transaction may not be accepted and in the case of an application for redemption, redemption proceeds may be withheld. The Management Company may also delay or suspend the payment of dividends until relevant and satisfactory information and/or documentation is received. Neither the Company nor the Management Company nor the Transfer Agent have any liability for delays or failure to process deals as a result of the Investor providing no or only incomplete information and/or documentation.

In accordance with article 3 of the CSSF Regulation 12-02 of 14 December 2012 on the fight against money laundering and terrorist financing, as amended by CSSF Regulation 20-

05, an enhanced due diligence will be applied to the Company's cross-border intermediaries. In this context, Investors must inform without delay the Transfer Agent when the person(s) designated as beneficial owner(s) change and in general, ensure at all times that each piece of information and each document provided to the Transfer Agent or intermediary and/or nominee remains accurate and up-to-date.

The Management Company shall ensure that due diligence measures on the Company's investments are applied on a risk-based approach in accordance with Luxembourg applicable laws and regulations.

Statement for the purposes of the UK Offshore Funds (Tax) Regulations 2009

In accordance with the requirements laid out in Chapter 6 of the UK Offshore Funds (Tax) Regulations 2009 (SI 2009/3001) the Directors hereby state that:

Equivalence Condition

The Company complies with the requirements of the UCITS Directive.

Genuine Diversity of Ownership Condition

Interests in the Funds are widely available, and the Management Company undertakes that they will be marketed and made available sufficiently widely and in a manner appropriate to reach the intended categories of Investor who meet the broad requirements for investment in any given Share Class, and are not intended to be limited to particular investors or narrowly-defined groups of investor. Please refer to Section 3 under "Share Classes" in Appendix III for details of the minimum levels of investment and/or investor categories that are specified as eligible to acquire particular Share Classes.

Provided that a person meets the broad requirements for investment in any given Share Class, he/she may obtain information on and acquire the relevant Shares in the Company, subject to the paragraphs immediately following.

Investment Restrictions applying to US Investors

The Company has not been and will not be registered under the United States Investment Company Act of 1940 as amended (the "Investment Company Act"). The Shares of the Company have not been and will not be registered under the United States Securities Act of 1933 as amended (the "Securities Act") or under the securities laws of any state of the US and such Shares may be offered, sold or otherwise transferred only in compliance with the Securities Act and such state or other securities laws. The Shares of the Company may not be offered or sold to or for the account, of any US Person. For these purposes, US Person shall mean any person defined as a US person under Regulation S of the Securities Act.

If you are in any doubt as to your status, you should consult your financial or other professional adviser.

Investment restrictions applying to Canadian Investors

The Shares of the Company will not be publicly offered in Canada. Any offering of Shares of the Company in Canada will be made only by way of private placement: (i) pursuant to a Canadian offering memorandum containing certain prescribed disclosure, (ii) on a basis which is exempt from the requirement that the Company prepare and file a prospectus with the relevant Canadian securities regulatory authorities and pursuant to applicable requirements in the relevant Canadian jurisdictions, and (iii) to persons or entities that are "accredited investors" (as such term is defined in National Instrument 45-106 Prospectus and Registration Exemptions) and, if required, "permitted clients" (as such term is defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations).

The Management Company is not registered in any capacity in any jurisdiction in Canada and may rely on one or more exemptions from various registration requirements in certain Canadian jurisdictions. In addition to being an "accredited investor", a Canadian-resident Investor may also be required to be a "permitted client". If a Canadian-resident Investor, or an Investor that has become a Canadian-resident after purchasing Shares of the Company, is required to be a "permitted client" and does not qualify, or no longer qualifies, as a "permitted client", the Investor will not be able to purchase any additional Shares of the Company and may be required to redeem its outstanding Shares.

Investment restrictions applying to Dubai International Financial Centre (DIFC) and United Arab Emirates (UAE) Investors

This Prospectus relates to Funds which have not been, and are not being, publicly offered, sold, promoted or advertised in the UAE (including the DIFC and the Abu Dhabi Global Market (ADGM)) other than in compliance with the laws and regulations of the UAE (and the DIFC and the ADGM) governing the issue, offering and sale of the Funds. Further, this Prospectus does not constitute a public offer of securities to retail investors in the UAE (including the DIFC and the ADGM) and is not intended to be such a public offer. This Prospectus relates to Funds which are not subject to any form of regulation or approval by the Dubai Financial Services Authority ("DFSA") or the Securities and Commodities Authority (the "SCA") of the UAE. The DFSA and the SCA have no responsibility for reviewing or verifying the Prospectus or other documents in connection with these Funds. Accordingly, the DFSA has not approved this Prospectus or any other associated documents nor taken any steps to verify the information set out in this Prospectus, and has no responsibility for it. Any approval of the SCA to the offering, sale, promotion or advertisement in the UAE of certain Funds does not represent a recommendation to purchase or invest in the Funds. The SCA has not verified this Prospectus or other documents in connection with the Funds and the SCA may not be held liable for the accuracy or completeness of the information in the Prospectus. The units (Shares) to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on the units (Shares). If you do not understand the contents of this document you should consult an authorized financial adviser.

Investment Restrictions applying to Hong Kong Investors

Unless otherwise disclosed in this Prospectus or other supplementary documents thereto, this Prospectus contains information on Funds that may not be authorised by the Securities & Futures Commission of Hong Kong (the "SFC") pursuant to Section 104 of the Securities and Futures Ordinance ("SFO").

No offer shall be made to the public of Hong Kong in respect of the unauthorised Funds. Such unauthorised Funds may only be offered or sold in Hong Kong to persons who are "professional investors" as defined in the SFO (and any rules made under the SFO) or in other circumstances which do not otherwise contravene the SFO or any other applicable laws in Hong Kong.

In addition, this Prospectus of such unauthorised funds may only be distributed, circulated or issued to persons who are "professional investors" under the SFO (and any rules made thereunder) or as otherwise permitted under the Hong Kong laws.

In relation to the offering of such unauthorised, the contents of this Prospectus have not been reviewed by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the offer. If you are in any doubt about any of the contents of this material, you should obtain independent professional advice.

Investment Restrictions applying to Indian Investors:

This Prospectus is not in the form of a prospectus or a statement in lieu of a prospectus as per the provisions of the (Indian) Companies Act, 2013 and has not been or will not be registered thereunder as a prospectus or a statement in lieu of a prospectus. The information set out herein does not constitute, and may not be used for or in connection with, an offer for solicitation to do business or purchase any securities or shares by any Resident Indians or by persons resident in any other jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such an offer or solicitation. For any Funds that are Foreign Portfolio Investors under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 (the "SEBI Regulations") and that may invest more than 50% of their assets in Indian securities, this Prospectus may not be distributed directly or indirectly in India or to resident Indians, and the interests are not being offered and may not be sold directly or indirectly in India or to or for the account of any resident Indians. No regulatory authority in India has confirmed the accuracy or determined the adequacy of this Prospectus. Subscription of Shares in the Funds which are Foreign Portfolio Investors under the SEBI Regulations accepted from or held by: (a) a person who is a Resident Indian; (b) a person who is a Non-Resident Indian; (c) a person who is an Overseas Citizen of India; or (d) a person who is controlled by any of the persons mentioned in (a) through (c); or (e) a person whose Beneficial Owner-India is, any of the persons listed in (a) through (c), is subject to approval by the Board of Directors or the Management Company. This subjectivity applies to anyone who is currently a person listed in (a) through (e) above or becomes a person listed in (a) through (e) above in the future.

"**Beneficial Owner – India**" means:

(A) if the Shareholder is a company, natural person(s), who whether acting alone or together, or through one or more juridical person:

  (1) has a controlling ownership interest, i.e. ownership of or entitlement to more than 10% of shares or capital or profits of the company, or

  (2) who exercises control (i.e. includes the right to appoint majority of the board of directors or to control the management or policy decisions exercisable by a person or persons acting individually or in concert, directly or indirectly, including by virtue of shareholding or management rights or shareholders agreements or voting agreements, or in any other manner) through other means;

(B) if the Shareholder is a partnership firm, any natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of/ entitlement to more than 10% capital or profits of the partnership, or who exercises control (i.e. includes the right to control the management or policy decision) through other means. In case the partnership has a general partner/ limited partnership structure, identification of beneficial owner will be on ownership or entitlement basis and control basis;

(C) if the Shareholder is an unincorporated association or body of individuals, natural person(s) who, whether acting alone or together, or through one or more juridical person, has ownership of or entitlement to more than 15% of the property or capital or profits of such association or body of individuals;

(D) in case no natural person is identified under (i), (ii), or (iii), the relevant natural person who holds the position of a senior managing official of the Shareholder;

(E) if the Shareholder is a trust, the author of the trust, the trustee, the beneficiaries with 10% or more interest in the trust, and any other natural person exercising ultimate effective control over the trust through a chain of control or ownership.

"**Non-Resident Indian**" or "**NRI**" as the term is defined under rule 2 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, which term currently means, an individual resident outside India who is a citizen of India.

"**Overseas Citizen of India**" or "**OCI**" as the term is defined under rule 2 of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, which term currently means, an individual resident outside India who is registered as an Overseas Citizen of India Cardholder under Section 7 (A) of the Citizenship Act, 1955.

"**PML Rules**" means the (Indian) Prevention of Money-laundering (Maintenance of Records) Rules, 2005.

"Resident Indian" or "**RI**" means a person resident in India in terms of Section 2(v) of the Foreign Exchange Management Act, 1999, which term currently includes:

(A) a person residing in India for more than 182 days during the course of the preceding financial year but does not include:

  (1) a person who has gone out of India or who stays outside India, in either case:

    (I) for or on taking up employment outside India, or

    (II) for carrying on outside India a business or vocation outside India, or

    (III) for any other purpose, in such circumstances as would indicate his/her intention to stay outside India for an uncertain period;

  (2) a person who has come to or stays in India, in either case, otherwise than:

    (I) for or on taking up employment in India, or

    (II) for carrying on in India a business or vocation in India, or

    (III) for any other purpose, in such circumstances as would indicate his intention to stay in India for an uncertain period;

(B) any person or body corporate registered or incorporated in India

(C) an office, branch, or agency in India owned or controlled by a person resident outside India

(D) an office, branch, or agency outside India owned or controlled by a person resident in India.

Notice to Australian Investors

Intermediary authorisation

The issuer of this Prospectus is the Company. The Company and the Management Company do not hold an Australian Financial Services ("AFS") licence. Under section 911A(2)(b) of the Corporations Act 2001 (Cth) ("Corporations Act"), a financial product issuer is exempted from the need to hold an AFS licence to issue a financial product if it issues the financial product in accordance with an offer made by an appropriately authorised AFS licensee.

Schroder Investment Management Australia Limited (ACN 000 443 274) ("SIMAL") holds AFS licence number 226473 that authorises it to make offers to investors to arrange for the issue, variation or disposal of Shares and has entered into an intermediary authorisation arrangement in accordance with section 911A(2)(b) of the Corporations Act with the Management Company (the "Intermediary Arrangement"). Under the terms of the Intermediary Arrangement, SIMAL will arrange for the issue, variation or disposal (as applicable) of Shares by the Management Company. Accordingly, all offers to issue, vary or dispose of Shares in the Funds under this Prospectus are made by SIMAL in accordance with section 911A(2)(b) of the Corporations Act. The Management Company will only authorise SIMAL to make offers to arrange for the issue, variation or disposal of Shares by the Management Company under this Prospectus and the Management Company will only issue, vary or dispose of Shares in accordance with such offers if they are accepted.

SIMAL's functions should not be considered to be an endorsement of the offer to acquire, vary or dispose of Shares or a recommendation of the suitability of the Shares for any investor in the Funds. SIMAL does not guarantee the success or performance of the Funds or returns (if any) to be received by investors. SIMAL is not responsible for, and has not authorised or caused the issue of, this Prospectus, and has not been involved in the preparation of the Prospectus.

Disclaimer

This Prospectus is given to recipients on the basis that they are, and represent and warrant that they are, 'wholesale clients' as defined in section 761G of the Corporations Act (each such recipient being an "Exempt Investor"). If a recipient of this Prospectus is not an Exempt Investor, the recipient must not consider the contents of this Prospectus and return or destroy it immediately. Recipients of this Prospectus must not forward or circulate this Prospectus to any other person in Australia.

Neither the Company nor the Funds are registered as foreign companies or registered managed investment schemes in Australia and this Prospectus has not been lodged with the Australian Securities and Investments Commission ("ASIC") or registered under the laws or regulations of Australia. Accordingly, this Prospectus is not a prospectus, product disclosure statement or other disclosure document for the purposes of the Corporations Act and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act. Neither ASIC nor any other similar authority in Australia has reviewed or in any way approved this Prospectus or the merits of acquiring interests in the Funds.

Any offer or invitation made in this Prospectus is only an offer or invitation to make offers where that offer or invitation does not require disclosure to investors under the Corporations Act. No application for Shares in the Funds made by an Exempt Investor following the receipt of this Prospectus will be considered unless the offer or invitation does not need disclosure to investors under the Corporations Act.

There are on-sale restrictions in Australia that may be applicable to Exempt Investors who acquire Shares in the Funds. The Shares in the Funds issued to Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the issue, except in circumstances where disclosure to investors under the Corporations Act would not be required pursuant to an exemption or where the offer is pursuant to a disclosure document which complies with the Corporations Act. Any person acquiring Shares in the Funds must observe such Australian on-sale restrictions.

This Prospectus contains general information only and does not constitute the provision of any financial product advice or a recommendation to invest in the Funds. The Management Company is not licensed to provide financial product advice under the Corporations Act. Before making an investment decision, Exempt Investors need to carefully consider whether the information in this Prospectus is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters. There is no cooling-off regime which applies in relation to the acquisition of Shares in the Funds in Australia.

Tax

Nothing in this Prospectus is or purports to be advice in respect of the taxation implications of acquiring, varying or disposing of Shares in Australia. It is the responsibility of each Exempt Investor to seek, and rely only upon, their own professional taxation advice, specific to their own circumstances prior to investing in the Funds.

Confidentiality

This Prospectus is confidential, and may not be copied, altered, forwarded or distributed to any other person. The disclosure and use of the information contained in this Prospectus may be restricted by law and is subject to the terms contained within.

By accessing this Prospectus, the recipient agrees not to reproduce, forward or otherwise provide access to this Prospectus to any other person. If you are not the intended recipient of this Prospectus, you must not disclose or use the information contained within.

2.2. Redemption and Switching of Shares

Redemption Procedure

Redemption instructions accepted by the Transfer Agent for any Dealing Day before 13.00, unless otherwise specified in Appendix III, or such other time at the Directors' discretion, will normally be executed at the relevant Net Asset Value per Share calculated on the Dealing Day (less any applicable redemption charge). Instructions accepted by the Transfer Agent after 13.00 will normally be executed on the following Dealing Day.

In respect of the Funds with a dealing cut-off time of 13.00 on the preceding Dealing Day, as specified in Appendix III, redemption instructions received before 13.00 on the preceding Dealing Day will normally be executed at the

relevant Net Asset Value per Share calculated on the immediately following Dealing Day (less any applicable redemption charge). Redemption requests received after 13.00 on the preceding Dealing Day will normally be executed on the second following Dealing Day.

Execution of a redemption instruction can only be granted if the related registered holding level allows for it. In cases where dealing is suspended in a Fund from which a redemption has been requested, the processing of the redemption will be held over until the next Dealing Day where dealing is no longer suspended.

Instructions to redeem Shares may be given to the Transfer Agent by completing the form requesting redemption of Shares or by letter, facsimile transmission or other means approved by the Transfer Agent where the account reference and full details of the redemption must be provided. All instructions must be signed by the registered Shareholders, except where sole signatory authority has been chosen in the case of a joint account holding or where a representative has been appointed following receipt of a completed power of attorney.

Redemption Proceeds

Different settlement procedures may apply if instructions to redeem Shares are communicated via Distributors.

Redemption proceeds are normally paid by bank transfer or electronic transfer, within three Business Days from the relevant Dealing Day unless otherwise specified in Appendix III and will be instructed to be made at no cost to the Shareholder, provided the Company is in receipt of all documents required. Any non-Dealing Days for a Fund falling within the settlement period are excluded from the calculation of the settlement date. If, on the settlement date, banks are not open for business in the country of the currency of settlement, then settlement will be on the next Business Day on which those banks are open. The Company, Management Company or Transfer Agent are not responsible for any delays or charges incurred at any receiving bank or settlement system, nor are they responsible for delays in settlement which may occur due to the timeline for local processing of payments within some countries or by certain banks. Redemption proceeds will normally be paid in the currency of the relevant Share Class (for the avoidance of doubt, in respect of the BRL Hedged Share Class this would be the relevant Fund Currency (and not BRL)). However, at the request of the Shareholder, a currency exchange service for redemptions is provided to the Shareholder by the Transfer Agent acting on behalf of the Management Company. Details of the charge applied to foreign exchange transactions, which is retained by the Management Company, are available upon request from the Management Company acting on behalf of the Company. The cost of currency conversion and other related expenses will be borne by the relevant Investor. This currency exchange service will not be available for certain Funds, as indicated in Appendix III. For such Funds, redemption proceeds shall be paid in the currency of the relevant Share Class.

If, in exceptional circumstances and for whatever reason, redemption proceeds cannot be paid within three Business Days (or otherwise specified in Appendix III) from the relevant Dealing Day, for example when the liquidity of the relevant Fund does not permit, then payment will be made as soon as reasonably practicable thereafter (not exceeding, however, thirty calendar days) at the Net Asset Value per Share calculated on the relevant Dealing Day.

Redemptions in Kind

The Directors may from time to time permit redemptions in kind. Any such redemption in kind will be valued in accordance with the requirements of Luxembourg law. In case of a redemption in kind, Shareholders will have to bear costs incurred by the redemption in kind (mainly costs resulting from drawing-up of the independent auditor's report) unless the Company considers that the redemption in kind is in its own interest or made to protect its own interests. Requests for redemptions in kind may only be accepted if the total Net Asset Value of the Shares to be redeemed in a Fund is at least EUR 10,000,000 or an equivalent amount in another currency, unless otherwise determined from time to time by the Directors.

Switching Procedure

A switch transaction is a transaction by which the holding of a Shareholder into a Share Class (the "Original Class") is converted into another Share Class (the "New Class") either within the same Fund or in different Funds within the Company.

Acceptance by the Transfer Agent of switching instructions will be subject to the availability of the New Class and to the compliance with any eligibility requirements and/or other specific conditions attached to the New Class (such as minimum subscription and holding amounts). The switching procedure is processed as a redemption from the Original Class followed by a subscription into the New Class.

If the Original and New Classes involved in a switch transaction have the dealing cut-off time at 13.00 and the same Dealing Days, switching instructions accepted by the Transfer Agent before 13.00, or such other time at the Directors' discretion, will normally be executed on the Dealing Day associated with the receipt of the instruction and will normally be executed based on the relevant Net Asset Values per Share of both Share Classes calculated for that Dealing Day (less any applicable switching charge).

In respect of the Funds with dealing cut-off at 13.00 on the preceding Dealing Day, as specified in Appendix III, switching instructions must be received before 13.00 in order to be dealt with at the relevant Net Asset Value per Share the following Dealing Day. Switching instructions received after 13.00 will be dealt with on the second following Dealing Day. Similarly if switching is requested into those Funds, the prior notice will be taken into account for the processing of the Share Class subscription.

However, the following rules will apply if the settlement period in the New Class is shorter than that of the Original Class and/or if the Original and New Classes are subject to different Dealing Days, or dealing cut-off times, or different day or time of the Net Asset Value per Share availability; or if the Original and New Classes are subject to different Fund holidays or different currency holidays during the settlement cycle:

(A) the redemption will be dealt with on the Dealing Day relating to the receipt of the switching instruction with the Net Asset Value per Share of the Original Class calculated for that Dealing Day, and

(B) the subscription will be executed at the next earliest Dealing Day applicable for the New Class with the Net Asset Value per Share of the New Class calculated for that Dealing Day, and

(C) the subscription may be further deferred to a later Dealing Day so that the settlement date for the subscription will always match or follow the settlement date for the redemption (if possible both settlement periods will be matched), and

(D) where the redemption is settled before the subscription, the redemption proceeds will remain on the Company's collection account and interest accrued will be for the benefit of the Company.

In cases where dealing is suspended in a Fund from or to which a switch has been requested, the processing of the switch will be held over until the next Dealing Day where dealings are no longer suspended. The switching procedures described above will continue to apply.

Instructions to switch Shares may be given to the Transfer Agent by completing the switch form or by letter, facsimile transmission or other means approved by the Transfer Agent where the account reference and the number of Shares to be switched between named Share Classes and Funds must be provided. All instructions must be signed by the registered Shareholders, except where sole signatory authority has been chosen in the case of a joint account holding or where a representative has been appointed following receipt of a completed power of attorney.

Instructions to switch Shares between Share Classes denominated in different currencies will be accepted. A currency exchange service for such switches is provided by the Transfer Agent acting on behalf of the Company. Details of the charge applied to foreign exchange transactions, which is retained by the Management Company, are available upon request from the Management Company acting on behalf of the Company. The cost of currency conversion and other related expenses will be borne by the relevant Investor. This currency exchange service will not be available for certain Funds, as indicated in Appendix III.

The Directors may, at their discretion, allow certain selected Distributors to make a charge for switching which shall not exceed 1% of the value of the Share being requested to be switched.

The same principles may apply if Investors instruct switches between Investment Funds belonging to different legal structures within Schroders' fund ranges.

Shareholders should seek advice from their local tax advisers to be informed on the local tax consequences of such transactions.

General

Different redemption and switching procedures may apply if instructions to switch or redeem Shares are communicated via Distributors.

All instructions to redeem or switch Shares shall be dealt with on an unknown Net Asset Value basis before the determination of the Net Asset Value per Share for that Dealing Day.

Instructions to make payments to third parties will only be accepted at the Management Company's discretion.

The value of Shares held by any Shareholder in any one Share Class after any switch or redemption should generally exceed the minimum investment set forth under "Share Classes" in Appendix III for each Share Class.

Unless waived by the Management Company, if, as a result of any switch or redemption request, the amount invested by any Shareholder in a Share Class in any one Fund falls below the minimum holding for that Share Class, it will be treated as an instruction to redeem or switch, as appropriate, the Shareholder's total holding in the relevant Share Class.

The Directors may permit, if they deem it appropriate, different dealing cut-off times to be determined in justified circumstances, such as distribution to Investors in jurisdictions with a different time zone. Such different dealing cut-off times may either be specifically agreed upon with Distributors or may be published in any supplement to the Prospectus or other marketing document used in the jurisdiction concerned. In such circumstances, the applicable dealing cut-off time applied to Shareholders must always precede the dealing cut-off time referred to in this Prospectus.

Confirmations of transactions will normally be dispatched by the Transfer Agent on the next Business Day after Shares are switched or redeemed. Shareholders should promptly check these confirmations to ensure that they are correct in every detail.

Switching or redemption requests will be considered binding and irrevocable by the Management Company and will, at the discretion of the Management Company, only be executed where the relevant Shares have been duly issued.

2.3. Restrictions on Subscriptions and Switches into Certain Funds or Share Classes

A Fund or Share Class may be closed to new subscriptions or switches in (but not to redemptions or switches out) if, in the opinion of the Management Company, the closure is necessary to protect the interests of existing Shareholders or to enable the efficient management of the Fund or Share Class. Without limiting the circumstances where the closure may be appropriate, the circumstances could be where the Fund or a Share Class has reached a size such that the capacity of the market has been reached or that it becomes difficult to manage in an optimal manner, and/or where to permit further inflows would be detrimental to the performance of the Fund or the Share Class. Notwithstanding the above, the Management Company may, at its discretion, allow the continuation of subscriptions from regular savings schemes on the basis that these types of flows present no challenge with respect to capacity. Any Fund or Share Class may be closed to new subscriptions or switches in without notice to Shareholders. Once closed, a Fund, or Share Class, will not be re-opened until, in the opinion of the Management Company, the circumstances which required closure no longer prevail. A Fund or Share Class may be re-opened to new subscriptions or switches in without notice to Shareholders.

Investors should contact the Management Company or check the webpage www.schroders.com for the current status of the relevant Funds or Share Classes and for subscription opportunities that may occur (if any).

Capacity Restricted Dealing ("CRD") may be implemented for Funds (or Share Classes) which are closed to new subscriptions or switches in. Any investor who wants to invest in a Fund (or a Share Class) for which CRD is in effect (except as stated below) must submit an expression of interest ("EOI") form to the Management Company, which can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/funds-and-strategies/fund-administration/capacity-restricted-dealing/. Investors who have submitted a valid EOI form will be placed on a waiting list and contacted

by the Management Company should capacity become available. Investors will be contacted by the Management Company in the order in which EOIs were accepted. However, where capacity is offered to the Fund for a limited time period, only Investors who are able to subscribe within the relevant timeframe, as specified in their EOI, will be contacted in the order in which EOIs were accepted. The EOI form contains a maximum subscription limit which Investors may not exceed, a minimum subscription amount and a timeframe required by Investors to complete the subscription process.

The Management Company reserves the right to reject or scale back subscriptions if the total subscription amount is in excess of the limit stated in the terms and conditions of the EOI form. If an Investor does not wish to invest the amount stated in the EOI or is not able to invest within the specified timeframe, the Management Company reserves the right to reject the subscription, extend the period for subscription or to contact other investor(s) in the order in which EOIs were accepted. Investors who have not submitted an EOI form will not (while CRD remains in effect) be permitted to invest in the Funds or Share Classes should capacity become available. Investors should contact the Management Company or check the webpage https://www.schroders.com/en-lu/lu/individual/funds-and-strategies/fund-administration/capacity-restricted-dealing/ for more detail on how the CRD facility will operate and for the list of closed Funds (or Share Classes) for which CRD is in effect. The normal eligibility requirements will apply to any applications made under the CRD process.

The Management Company may accept a subscription in a Fund (or any Share Class) which is closed to new subscriptions or switches in, and in relation to which CRD may or may not be in effect, where (i) the Investment Manager of such Fund (or Share Class) informs the Management Company that investment capacity has become available, or (ii) where such applicant gave the Management Company a commitment to invest in the Fund (or Share Class) prior to CRD coming into effect in respect of that Fund (or Share Class). Such subscriptions may be made by any investor, whether or not they are also on the CRD waiting list referred to above.

2.4. Calculation of Net Asset Value

Calculation of the Net Asset Value per Share

(A) The Net Asset Value per Share of each Share Class will be calculated on each Dealing Day in the currency of the relevant Share Class (for the avoidance of doubt, in respect of the BRL Hedged Share Class this would be the relevant Fund Currency (and not BRL)). It will be calculated by dividing the Net Asset Value attributable to each Share Class, being the proportionate value of its assets less its liabilities, by the number of Shares of such Share Class then in issue. The resulting sum shall be rounded to the nearest four decimal places.

(B) The Directors reserve the right to allow the Net Asset Value per Share of each Share Class to be calculated more frequently than once daily or to otherwise alter dealing arrangements on a permanent or a temporary basis, for example, where the Directors consider that a material change to the market value of the investments in one or more Funds so demands. The Prospectus will be amended, following any such permanent alteration, and Shareholders will be informed accordingly.

(C) In valuing total assets, the following rules will apply unless otherwise provided for in Appendix III in respect of a Money Market Fund:

(1) The value of any cash in hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Company may consider appropriate in such case to reflect the true value thereof.

(2) The value of such securities, derivatives and assets will be determined on the basis of the last available price on the stock exchange or any other Regulated Market on which these securities or assets are traded or admitted for trading. Where such securities or other assets are quoted or dealt in one or by more than one stock exchange or any other Regulated Market, the Directors shall make regulations for the order of priority in which stock exchanges or other Regulated Markets shall be used for the provisions of prices of securities or assets.

(3) If a security is not traded or admitted on any official stock exchange or any Regulated Market, or in the case of securities so traded or admitted the last available price of which does not reflect their true value, the Directors are required to proceed on the basis of their expected sales price, which shall be valued with prudence and in good faith.

(4) The derivatives which are not listed on any official stock exchange or traded on any other recognised market are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative. The reference to fair value shall be understood as a reference to the amount for which an asset could be exchanged, or a liability be settled, between knowledgeable, willing parties in an arm's length transaction. The reference to reliable and verifiable valuation shall be understood as a reference to a valuation, which does not rely only on market quotations of the counterparty and which fulfils the following criteria:

(I) The basis of the valuation is either a reliable market value of the instrument, or, if such value is not available, pricing model using an adequately-recognised methodology.

(II) Verification of the valuation is carried out by one of the following:

(a) an appropriate third party which is independent from the counterparty of the OTC derivative, at an adequate frequency and in such a way that the Company is able to check it;

(b) a unit within the Company which is independent from the department in charge of managing the assets and which is adequately equipped for such purpose.

(5) Units or shares in UCIs shall be valued on the basis of their last available Net Asset Value as reported by such undertakings.

(6) Liquid assets and Money Market Instruments will usually be valued on a mark to market basis.

(7) If any of the aforesaid valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Company's assets, the Directors may fix different valuation principles in good faith on either a permanent or temporary basis (as appropriate) and in accordance with generally accepted valuation principles and procedures.

(8) Any assets or liabilities in currencies other than the Fund Currency (as defined in Appendix III) will be converted using the relevant spot rate quoted by a bank or other recognised financial institution.

(D) If on any Dealing Day the aggregate transactions in Shares of a Fund result in a net increase or decrease of Shares which exceeds a threshold set by the Directors from time to time for that Fund (relating to the cost of market dealing for that Fund), the Net Asset Value of the Fund will be adjusted, to the extent allowed by applicable law, by an amount which reflects both the estimated fiscal charges and dealing costs that may be incurred by the Fund and the estimated bid/offer spread of the assets in which the Fund invests. The adjustment will be an addition when the net movement results in an increase of all Shares of the Fund and a deduction when it results in a decrease. Please see "Dilution" and "Dilution Adjustment" below for more details.

Dilution

The Funds are single priced and may suffer a reduction in value as a result of the transaction costs incurred in the purchase and sale of their underlying investments and the spread between the buying and selling prices of such investments caused by subscriptions, redemptions and/or switches in and out of the Fund. This is known as “dilution”. In order to counter this and to protect Shareholders' interests, the Management Company will apply “swing pricing” as part of its daily valuation policy to the extent allowed by applicable law. This will mean that in certain circumstances the Management Company will make adjustments in the calculations of the Net Asset Values per Share, to counter the impact of dealing and other costs to be incurred by the Funds in liquidating or purchasing investments on occasions when these are deemed to be significant. The calculation of such adjustments may take into account any provision for the impact of estimated market spreads (bid/offer spread of underlying securities), duties (for example transaction taxes) and charges (for example settlement costs or dealing commission) and other dealing costs related to the acquisition or disposal of investments.

Dilution Adjustment

In the usual course of business the application of a dilution adjustment will be triggered mechanically and on a consistent basis.

Schroders’ Group Pricing Committee provides recommendations to the Management Company on the appropriate level of dilution adjustment and level of threshold that should trigger the application of swing pricing in a Fund. The Management Company remains ultimately responsible for such pricing arrangements.

The need to make a dilution adjustment will depend upon the net value of subscriptions, switches and redemptions received by a Fund for each Dealing Day. The Management Company therefore reserves the right to make a dilution adjustment where a Fund experiences a net cash movement which exceeds a certain threshold.

The Management Company may also make a discretionary dilution adjustment if, in its opinion, it is in the interest of Shareholders to do so.

The dilution adjustment is applied to all subscriptions, redemptions and/or switches in and out of a Fund on any given Dealing Day once the total level of such dealing in the Fund on that Dealing Day has exceeded the applicable threshold referred to above.

Where a dilution adjustment is made, it will increase the Net Asset Value per Share when there are net inflows into the Fund and decrease the Net Asset Value per Share when there are net outflows. The Net Asset Value per Share of each Share Class in the Fund will be calculated separately but any dilution adjustment will, in percentage terms, affect the Net Asset Value per Share of each Share Class identically.

As dilution is related to the inflows and outflows of money from the Fund it is not possible to accurately predict whether dilution will occur at any future point in time. It is also not possible to accurately predict how frequently the Management Company will need to make such dilution adjustments.

Swing pricing may vary from Fund to Fund and in normal market conditions is not expected to exceed 2% of the unadjusted Net Asset Value per Share of the relevant Fund on any Dealing Day. However, under unusual or exceptional market conditions (such as significant market volatility, market disruption or significant economic contraction, a terrorist attack or war (or other hostilities), a pandemic or other health crisis, or a natural disaster), the Management Company may decide, on a temporary basis, to adjust the Net Asset Value of a Fund by more than 2% when such a decision is justified as being in the best interests of the shareholders. Any such decision to adjust the Net Asset Value by more than 2% will be published on the following webpage: www.schroders.com

The Company currently applies dilution to all of its Funds.

General

The Directors are authorised to apply other appropriate valuation principles to the assets of the Funds and/or the assets of a given Share Class if the aforesaid valuation methods appear impossible or inappropriate due to extraordinary circumstances or events.

2.5. Suspensions or Deferrals

(A) If the aggregate value of switch or redemption instructions on any one Dealing Day is more than 10% of the total value of Shares in issue of any Fund the Directors may declare that the redemption of part or all Shares in excess of 10% for which a redemption or switch has been requested will be deferred until the next Dealing Day. Such deferred instructions will be valued at the Net Asset Value per Share prevailing on that Dealing Day. On such Dealing Day, deferred requests will be dealt with in priority to later requests and in the order that requests were initially received by the Transfer Agent.

(B) The Company reserves the right to extend the period of payment of redemption proceeds to such period, not exceeding thirty calendar days, as shall be necessary to repatriate proceeds of the sale of investments in the event of impediments due to exchange control regulations or similar constraints in the markets in which a substantial part of the assets of a Fund are invested or in exceptional circumstances where the liquidity of a Fund is not sufficient to meet the redemption requests.

(C) The Company may suspend or defer the calculation of the Net Asset Value per Share of any Share Class in any Fund and the issue and redemption of any Shares in such Fund, as well as the right to switch Shares of any Share Class in any Fund into Shares of a different Share Class of the same Fund or any other Fund:

(1) during any period when any of the principal stock exchanges or any other Regulated Market on which any substantial portion of the Company's investments of the relevant Fund for the time being are quoted, is closed, or during which dealings are restricted or suspended; or

(2) during any period when the determination of the net asset value per share of and/or the redemptions in the underlying Investment Funds representing a material part of the assets of the relevant Fund is suspended; or

(3) during the existence of any state of affairs which constitutes an emergency as a result of which disposal or valuation of investments of the relevant Fund by the Company is impracticable; or

(4) during any breakdown in the means of communication normally employed in determining the price or value of any of the Company's investments or the current prices or values on any market or stock exchange; or

(5) if for any reason the prices of any investment owned by a Fund cannot be reasonably, promptly or accurately determined; or

(6) during any period when the Company is unable to repatriate funds for the purpose of making payments on the redemption of such Shares or during which any transfer of funds involved in the realisation or acquisition of investments or payments due on redemption of such Shares cannot in the opinion of the Directors be effected at normal rates of exchange; or

(7) if the Company or a Fund is being or may be wound-up on or following the date on which notice is given of the meeting of Shareholders at which a resolution to wind up the Company or the Fund is proposed; or

(8) if the Directors have determined that there has been a material change in the valuations of a substantial proportion of the investments of the Company attributable to a particular Fund in the preparation or use of a valuation or the carrying out of a later or subsequent valuation; or

(9) during any other circumstance or circumstances where a failure to do so might result in the Company or its Shareholders incurring any liability to taxation or suffering other pecuniary disadvantages or any other detriment, which the Company or its Shareholders might so otherwise have suffered; or

(10) during any period where circumstances exist that would justify the suspension for the protection of shareholders in accordance with the law.

(D) The suspension of the calculation of the Net Asset Value per Share of any Fund or Share Class shall not affect the valuation of other Funds or Share Classes, unless these Funds or Share Classes are also affected.

(E) During a period of suspension or deferral, a Shareholder may withdraw his request in respect of any Shares not redeemed or switched, by notice in writing received by the Transfer Agent before the end of such period.

(F) Moreover, in accordance with the provisions on mergers of the Law, the Company may temporarily suspend the subscription, the redemption or the repurchase of its Shares, provided that any such suspension is justified for the protection of shareholders.

Shareholders will be informed of any suspension or deferral as appropriate.

Market Timing and Frequent Trading Policy

The Company does not knowingly allow dealing activity which is associated with market timing or frequent trading practices, as such practices may adversely affect the interests of all Shareholders.

For the purposes of this section, market timing is held to mean subscriptions into, switches between or redemptions of Shares from the various Share Classes (whether such acts are performed singly or severally at any time by one or several persons) that seek or could reasonably be considered to appear to seek profits through arbitrage or market timing opportunities. Frequent trading is held to mean subscriptions into, switches between or redemptions of Shares from the various Share Classes (whether such acts are performed singly or severally at any time by one or several persons) that by virtue of their frequency or size cause any Fund's operational expenses to increase to an extent that could reasonably be considered detrimental to the interests of the Fund's other Shareholders.

Accordingly, the Directors may, whenever they deem it appropriate, cause the Management Company to implement either one, or both, of the following measures:

– The Management Company may combine Shares which are under common ownership or control for the purposes of ascertaining whether an individual or a group of individuals can be deemed to be involved in market timing practices. Accordingly, the Directors and/or Management Company reserve the right to cause the Transfer Agent to reject any application for switching and/or subscription of Shares from Investors whom the former considers market timers or frequent traders.

– If a Fund is primarily invested in markets which are closed for business at the time the Fund is valued, the Directors may, during periods of market volatility, and by derogation from the provisions above, under "Calculation of Net Asset Value", cause the Management Company to allow for the Net Asset Value per Share to be adjusted to reflect more accurately the fair value of the Fund's investments at the point of valuation.

The Company uses an independent agent to provide the fair valuation analysis. The adjustment of the Net Asset Value per Share of a Fund so as to reflect the fair value of the portfolio as at the point of valuation is an automated process. Adjustment factors are applied daily at an individual asset

level to independently sourced market prices. The adjustment process covers all equity markets that are closed at the relevant Valuation Point and all Funds that have exposure to these markets are fair value priced. In applying fair value pricing, the Company is seeking to ensure that consistent prices are applied across all relevant Funds. Fixed income and other asset classes are currently not subject to fair value pricing.

Where an adjustment is made as per the foregoing, it will be applied consistently to all Share Classes in the same Fund.

Section 3

3. General Information

3.1. Administration Details, Charges and Expenses

Directors

Each of the Directors is entitled to remuneration for his services at a rate determined by the Company in the general meeting from time to time. In addition, each Director may be paid reasonable expenses incurred while attending meetings of the Board of Directors or general meetings of the Company. Directors who are also directors/employees of the Management Company and/or any Schroders' company will waive their Directors' remuneration. External Directors will be remunerated for their services.

Management Company

The Directors have appointed Schroder Investment Management (Europe) S.A. as its management company to perform investment management, administration and marketing functions as described in Annex II of the Law.

The Management Company has been permitted by the Company to delegate certain administrative, distribution and management functions to specialised service providers. In that context, the Management Company has delegated certain administration functions to J.P. Morgan SE, Luxembourg Branch, HSBC Continental Europe, Luxembourg and HSBC Bank Plc, and may delegate certain marketing functions to entities which form part of the Schroders group. In particular, HSBC Continental Europe, Luxembourg will be in charge of the registrar function as further described under point “Transfer Agent, Registrar and Principal Paying Agent” and of the client communication function. J.P. Morgan SE, Luxembourg Branch will be in charge of the calculation of the Net Asset Value of the Funds and of the accounting function. The Management Company has also delegated certain management functions to the Investment Managers as more fully described below.

The Management Company will monitor on a continued basis the activities of the third parties to which it has delegated functions. The agreements entered between the Management Company and the relevant third parties provide that the Management Company can give at any time further instructions to such third parties, and that it can withdraw their mandate with immediate effect if this is in the interest of the Shareholders. The Management Company's liability towards the Company is not affected by the fact that it has delegated certain functions to third parties.

The Management Company is entitled to receive the customary charges for its services as administration agent, coordinator, domiciliary agent, global distributor, principal paying agent and registrar and transfer agent. These fees accrue on each Business Day at an annual rate of up to 0.25% by reference to the Net Asset Value of the relevant Fund and are paid monthly in arrears. As these fees are a fixed percentage of the Net Asset Value of a fund it will not vary with the cost of providing the relevant services. As such the Management Company could make a profit (or loss) on the provision of those services, which will fluctuate over time on a Fund by Fund basis. These fees are subject from time to time to review by the Management Company and the Company. The Management Company is also entitled to reimbursement of all reasonable out-of-pocket expenses properly incurred in carrying out its duties. The Management Company may at its discretion part pay or pay in full any costs or expenses incurred by the Company with a view to limiting the overall costs and expenses borne by Investors in the Company, or a particular Fund or Share Class.

Schroder Investment Management (Europe) S.A. was incorporated as a "Société Anonyme" in Luxembourg on 23 August 1991 and has an issued and fully paid up share capital of EUR 14,628,830.98. Schroder Investment Management (Europe) S.A. has been authorised as a management company under chapter 15 of the Law and, as such, provides collective portfolio management services to UCIs.

The Management Company manages other undertakings for collective investment, the list of which is available at the registered office of the Management Company upon request. The directors of the Management Company are:

- Finbarr Browne, Global Head of Fund Platform and Conducting Officer, Schroder Investment Management (Europe) S.A.
- Vanessa Grueneklee, Global Head of Client Service Delivery and Conducting Officer, Schroder Investment Management (Europe) S.A.
- Peter Hilborne, Chief Operating Officer for Global Operating Platform, Schroder Investment Management Limited.
- Mike Sommer, Head of Risk and Compliance Europe and Conducting Officer, Schroder Investment Management (Europe) S.A.
- Garth Taljard, Global Head of Investment Product and Multi-Asset Management, Schroder Investment Management Limited
- Ed Mitchell, Head of Client Group Strategy Execution & Delivery, Schroder Investment Management Limited
- Marcel Vogt, COO Private Debt and Credit Alternatives, Schroder Investment Management (Switzerland) AG

The Management Company has established remuneration policies for those categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers whose professional activities have a material impact on the risk profiles of the Management Company or the Company, that:

- are consistent with and promote sound and effective risk management and do not encourage risk taking which is inconsistent with the risk profiles and rules of the Company or with its Articles;
- are in line with the business strategy, objective, values and interests of the Management Company, the Company and its Investors and includes measures to avoid conflicts of interest;
- include an assessment of performance set in a multi-year framework appropriate to the holding period recommended to the investors of the Fund in order to ensure that the assessment process is based on the longer-term performance of the Fund and its investment risks; and

– appropriately balance fixed and variable components of total remuneration.

Schroders has an established Remuneration Committee consisting of independent non-executive directors of Schroders plc. The Remuneration Committee met five times during 2017. Their responsibilities include recommending to the board of Schroders plc the Schroders group policy on directors' remuneration, overseeing the remuneration governance framework and ensuring that remuneration arrangements are consistent with effective risk management. The role and activities of the Remuneration Committee and their use of advisors are further detailed in the Remuneration Report and the Remuneration Committee's Terms of Reference (both available on the Schroders group webpage).

The Management Company delegates responsibility for determining remuneration policy to the Remuneration Committee of Schroders plc. The Management Company defines the objectives of each UCITS fund it manages and monitors adherence to those objectives and conflict management. The Remuneration Committee receives reports from the Management Company regarding each fund's objectives, risk limits and conflicts register and the performance against those measures. The Remuneration Committee receives reports on risk, legal and compliance matters from the heads of those areas in its consideration of compensation proposals, which provides an opportunity for any material concerns to be escalated.

A summary of the up-to-date remuneration policy of the Management Company, including, but not limited to, a description of how remuneration and benefits are calculated, the identity of the persons responsible for awarding the remuneration and benefits, including the composition of the Remuneration Committee, are available at https://www.schroders.com/en/global/individual/corporate-transparency/disclosures/remuneration-disclosures/. A paper copy is available free of charge upon request at the registered office of the Management Company.

Transfer Agent, Registrar and Principal Paying Agent

With effect from 1 July 2019, the Management Company has delegated the transfer agency, registrar and principal paying agent functions to HSBC Continental Europe, Luxembourg (the Transfer Agent). Fees, expenses and out-of-pocket expenses relating to the services performed by the Transfer Agent are borne by the Management Company.

Investment Managers

The Investment Managers may on a discretionary basis acquire and dispose of securities of the Funds for which they have been appointed as investment manager, subject to and in accordance with instructions received from the Management Company and/or the Company from time to time, and in accordance with stated investment objectives and restrictions. The Investment Managers are entitled to receive as remuneration for their services investment management fees (referred to as an Annual Management Charge), whose percentage is disclosed for each Fund in Appendix III. Such fees are calculated and accrued on each Dealing Day (each Business Day in the case of the Fund European Small & Mid-Cap Value) by reference to the Net Asset Values of the Funds and paid monthly in arrears. In the performance of their duties, Investment Managers may seek, at their own expense, advice from investment advisers.

The Management Company (specifically Schroder Investment Management (Europe) S.A. – German Branch, Schroder Investment Management (Europe) S.A. – Finnish Branch and Schoder Investment Management (Europe S.A. – Swedish Branch) acts as the Investment Manager in respect of certain Funds as indicated in Appendix III and may on a discretionary basis acquire and dispose of securities of the Fund in accordance with the stated investment objective and restrictions. In this capacity, the Management Company is entitled to receive as remuneration for their services investment management fees (referred to as an Annual Management Charge) for these Funds, whose percentage is disclosed in Appendix III. Such fees are calculated and accrued on each Dealing Day by reference to the Net Asset Value of the Fund, or the Net Asset Value per Share as may be appropriate and paid monthly in arrears. All references to the Investment Manager in this Prospectus therefore includes the Management Company in respect of these Funds only and such references shall be construed accordingly unless the context otherwise requires.

Sub-Investment Managers

Each Investment Manager may appoint one or more other Schroders group companies, at its own expense and responsibility, to manage all or part of the assets of a Fund or to provide recommendations or advice on any part of the investment portfolio (each a "Sub-Investment Manager"). Any such appointment of a Sub-Investment Manager may also be subject to approval and/or registration with local regulators.

Any Sub-Investment Manager appointed by an Investment Manager in accordance with the preceding paragraph may, in turn, appoint another Schroders group entity to manage all or part of a Fund's assets, subject to the prior written consent of the Investment Manager.

The Schroders group entities which may act as Sub-Investment Managers are those eligible to act as Investment Managers and are listed at the beginning of this Prospectus.

The list of Investment Managers and Sub-Investment Managers for each Fund is available at https://www.schroders.com/en-lu/lu/professional/funds-and-strategies/fund-administration/sub-delegations/ and https://www.schroders.com/en-lu/lu/individual/funds-and-strategies/fund-administration/sub-delegations/

The Sub-Investment Managers provide their investment management services (i) under the supervision of the Management Company and the Investment Manager, (ii) in accordance with instructions received from and investment allocation criteria laid down by the Management Company and/or the Investment Manager from time to time, and (iii) in compliance with the investment objectives and policies of the relevant Fund.

Redemption charge

The Company may introduce a redemption charge based on the Net Asset Value per Share of the relevant Share Classes of the relevant Fund in favour of the Fund. At the time of this Prospectus, there are no Funds to which such a redemption charge is applicable.

Performance Fees

For the purposes of this section only (Performance Fees), the following terms shall have the following meanings unless the context otherwise requires:

– Gross Asset Value: the amount of assets calculated net of all liabilities and costs and before deduction of the performance fee to be paid for the relevant performance period

- Gross Asset Value Performance: the variation in percentage terms of the Gross Asset Value during the performance period
- High Water Mark: the Gross Asset Value per Share at the end of the previous performance period in respect of which a performance fee was paid or payable
- Net Asset Value: the amount of assets calculated net of all liabilities and costs and after deduction of the performance fees
- Target Gross Asset Value: the hypothetical Gross Asset Value per Share assuming a performance based on the relevant benchmark

In consideration of the services provided by the respective Investment Managers in relation to the Funds, the Investment Managers are entitled to receive a performance fee, in addition to the Annual Management Charge, whose percentage is disclosed for each Fund in Appendix III. It should also be noted that the performance fee is calculated prior to any dilution adjustments.

The performance fee becomes due in the event of outperformance, that is, if the increase in the Gross Asset Value per Share during the relevant performance period exceeds the increase in the relevant benchmark (see Appendix III) over the same period and exceeds the High Water Mark.

The performance period shall normally be each financial year except that:

- where the Gross Asset Value per Share as at the end of the financial year is lower than the Target Gross Asset Value per Share or the High Water Mark, the commencement of the performance period will remain the date of that High Water Mark;
- if a performance fee is introduced on a Fund during a financial year then its first performance period will commence on the date on which such fee is introduced and the High Water Mark shall be the Net Asset Value per Share on the date of such introduction; and
- where a Performance Period ends during a financial year due to the liquidation or merger/consolidation of a Fund or Share Class (subject to the best interests of the relevant Investors).

The High Water Mark of any relevant Share Class shall not be reset during the whole life of such Share Class, other than at the end of a Performance Period if a performance fee is paid or payable, unless otherwise decided by the Board and/or the Management Company in the best interest of the Investors as explained hereafter.

The Board and/or the Management Company (as the case may be) may, at their discretion, decide on a case by case basis to apply a High Water Mark which is higher than the applicable High Water Mark of a Share Class, taking due account of the best interests of the relevant Investors.

The performance fee, if applicable, is payable yearly during the month immediately following the end of each performance period on the last Business Day in December. In addition if a Shareholder redeems or switches all or part of their Shares before the end of a performance period, any accrued performance fee with respect to such Shares will crystallise on that Dealing Day and will then become payable to the Investment Manager. For the avoidance of doubt, the High Water Mark is not reset on those Dealing Days at which performance fees crystallise following the redemption or switch of Shares.

It should be noted that as the Gross Asset Value per Share may differ between Share Classes, separate performance fee calculations will be carried out for separate Share Classes within the same Fund, which therefore may become subject to different amounts of performance fee. When the Company launches a new share class with a performance fee, the Company may seek to align the level of the performance fee's High Water Mark with that of (if available) an existing equivalent Share Class. The Company reserves the right to launch such a new share class with a High Water Mark set at the Net Asset Value of the share class at its launch.

A Share Class' performance fee is accrued on each Business Day, on the basis of the difference between the Gross Asset Value per Share on the preceding Business Day and the higher of the Target Gross Asset Value per Share until the preceding Business Day or the High Water Mark, multiplied by the average number of Shares in issue over the accounting period.

On each Business Day, the accounting provision made on the immediately preceding Business Day is adjusted to reflect the Share Class performance, positive or negative, calculated as described above. If on the Business day the relevant Gross Asset Value per Share is lower than the relevant Target Gross Asset Value per Share or the High Water Mark, the provision made on such Business Day is returned to the relevant Share Class within the relevant Fund. The accounting provision may, however, never be negative. Under no circumstances will the respective Investment Manager pay money into a Fund or to any Shareholder for any underperformance.

The relevant Funds and Share Classes in relation to which a performance fee may be introduced are specified in Appendix III.

For the purpose of calculating the outperformance, the relevant benchmark for each Fund will be disclosed in Appendix III.

The following examples 1 to 7 show how the performance fee is calculated using the relevant benchmark with a High Water Mark. For simplicity these examples refer to a proposed 20% performance fee on any outperformance by the Gross Asset Value per Share. No performance fee will be accrued if on the preceding Business Day a Fund underperforms against the relevant benchmark or if the Gross Asset Value is lower than the High Water Mark. No performance fee will be payable on negative performance, even where a Fund outperforms its benchmark.

Performance fees will be accrued according to the following formula:

*Accrued performance fee = (((Gross Asset Value Performance on the preceding Business Day – Benchmark performance on the preceding Business Day)*High Water Mark on the preceding Business Day)x 20%) * average number of Shares in issue over the accounting period*

A Share Class' performance fee is accrued on each Business Day on the basis of the preceding Business Day performance.

The accrued fee will not be allowed to become a negative monetary amount.

These examples refer to the Share price of a hypothetical Share Class. Valuation point G is the end of a performance period and valuation point H is the start of a subsequent performance period.

Valuation Point	Gross Asset Value	HWM	Gross Asset Value performance %	Benchmark	Benchmark HWM	Benchmark performance %	Net Asset Value	PF rate
A	100	100	0.0%	60	60	0.0%	100	20.0%
B	110	100	10.0%	63	60	5.0%	110.00	20.0%
C	110	100	10.0%	72	60	20.0%	109.00	20.0%
D	90	100	-10.0%	42	60	-30.0%	90.00	20.0%
E	102	100	2.0%	61	60	1.7%	102.00	20.0%
F	110	100	10.0%	61	60	1.7%	109.94	20.0%
G	112	110	1.8%	65	61	6.6%	110.34	20.0%
H	115	110	4.5%	62	61	1.6%	115.00	20.0%

In the above examples the High Water Mark is 100 and the Benchmark High Water Mark is 60 to point G at which point the Performance Fee is taken and the High Water Mark is reset to 110 and the Benchmark High Water Mark to 61.

Example 1

The first investor buys Shares at valuation point A at 100 and at valuation point B the Gross Asset Value is 110.

On the preceding valuation point A, the Gross Asset Value is 100 - with a Gross Asset Value Performance of 0% - and a Benchmark performance of 0%. It means that the Performance Fee is 0, because no Performance Fee will be accrued if there is no outperformance against the Benchmark or if the Gross Asset Value is lower than the High Water Mark.

Example 2

At valuation point C the Gross Asset Value is stable at 110.

On the preceding valuation point B, the Gross Asset Value has risen to 110 - with a Gross Asset Value Performance of 10% - and the Benchmark performance has risen by 5%. It means that the Gross Asset Value has an overall outperformance of 5% against the Benchmark and also the Gross Asset Value is higher than the High Water Mark.

According to the formula above, the Accrued Performance Fees, being 20% Performance Fee rate of 5% outperformance multiplied by the 100 High Water Mark equals 1.00.

This means that those buying Shares at this point will pay the Net Asset Value of 109 per Share. The Performance Fee will not be crystallised (paid to the relevant Investment Manager) until the end of the Performance Period which is valuation point G. However, if a shareholder redeems or switches all or part of the Shares before the end of a performance period, he or she will receive the Net Asset Value 109 per share and the accrued performance fee of 1 per Share will crystallise on the Dealing Day and will then become payable to the Investment Manager. The High Water Mark is not reset on those Dealing Days at which performance fees crystallise following the redemption or switch of Shares.

Example 3

At valuation point D the Gross Asset Value has fallen by 20 from 110 to 90.

On the preceding valuation point C, the Gross Asset Value is stable at 110 - with an overall Gross Asset Value Performance of 10% - and the Benchmark performance has risen overall by 20%. It means that the Gross Asset Value has an underperformance of minus 10% against the Benchmark, even though the Gross Asset Value is higher than the High Water Mark.

It means that the Performance Fee is 0, because no Performance Fee will be accrued if there is underperformance against the Benchmark or if the Gross Asset Value is lower than the High Water Mark.

Example 4

A second investor acquires shares at the Valuation Point E at the Net Asset Value of 102.

On the preceding valuation point D, the Gross Asset Value has fallen by 20 from 110 to 90 - with an overall Gross Asset Value Performance of minus 10% and the Benchmark performance has fallen overall by 30%. It means that the Gross Asset Value has an outperformance of 20% against the benchmark, but the Gross Asset Value is lower than the High Water Mark.

It means that the Performance Fee is 0, because no Performance Fee will be accrued if there is any underperformance against the Benchmark or if the Gross Asset Value is lower than the High Water Mark.

Example 5

The second investor sells Shares at the valuation point F at the Net Asset Value of 109.94. Whilst the Gross Asset Value of the Shares has increased by 8 (excluding the Performance Fee accrual) since they initially bought the Shares, they will only incur a Performance Fee on that proportion of the outperformance of 0.3% (2.0 – 1.7) against the Benchmark. Indeed, on the preceding Valuation point E the Gross Asset Value is 102, with an overall Gross Asset Value Performance of 2%, and the Benchmark performance has risen overall by 1.7%. The Gross Asset Value is also higher than the High Water Mark.

According to the formula above, the Accrued Performance Fees, being 20% Performance Fee rate of 0.3% overperformance multiplied by the 100 High Water Mark equals 0.06.

Example 6

At valuation point G the Gross Asset Value is 112.

On the preceding valuation point F, the Gross Asset Value has risen to 110 - with a Gross Asset Value Performance of 10% - and the Benchmark performance has risen by 1.7%. It means that the Gross Asset Value has an overall outperformance of 8.3% against the Benchmark and also the Gross Asset Value is higher than the High Water Mark.

According to the formula, the Accrued Performance Fees, being 20% Performance Fee rate of 8.3% overperformance multiplied by the 100 High Water Mark equals 1.66.

At this valuation point G, which is the end of the performance period, the Performance Fee of 1.66 is crystallised and paid to the Investment Manager. The High Water Mark and Benchmark are both reset respectively to 110 and 61.

Example 7

Valuation point H is the start of the new performance period and the Gross Asset Value is 115.

As the valuation point G is the end of the performance period and the performance is crystallised and paid to the Investment Manager, the new starting points for the calculation of the performance of the Gross Asset Value and Benchmark are 110 and 61.

It gives a Gross Asset Value performance of 1.8% (variation from 110 to 112) and a benchmark performance of 6.6% (variation from 61 to 65).

As a consequence, the Gross Asset Value has an underperformance of minus 4.8% against the Benchmark and the Gross Asset Value is higher than the High Water Mark.

The Performance Fee is 0, because no Performance Fee will be accrued if there is any underperformance against the Benchmark or if the Gross Asset Value is lower than the High Water Mark.

Marketing of the Shares and terms applying to Distributors

The Management Company shall perform its marketing functions by appointing and, as the case may be, terminating, coordinating among and compensating third party distributors of good repute in the countries where the Shares of the Funds may be distributed or privately placed. Third party distributors shall be compensated for their distribution, shareholder servicing and expenses. Third party distributors may be paid a portion or all of the initial charge, Annual Distribution Charge, shareholder servicing fee, and Annual Management Charge.

Distributors may only market the Company's Shares if the Management Company has authorised them to do so.

Distributors shall abide by and enforce all the terms of this Prospectus including, where applicable, the terms of any mandatory provisions of Luxembourg laws and regulations relating to the distribution of the Shares. Distributors shall also abide by the terms of any laws and regulations applicable to them in the country where their activity takes place, including, in particular, any relevant requirements to identify and know their clients.

Distributors must not act in any way that would be damaging or onerous on the Company in particular by submitting the Company to regulatory, fiscal or reporting information it would otherwise not have been subject to. Distributors must not hold themselves out as representing the Company.

In certain countries, Investors may be charged additional amounts in connection with the duties and services of local paying agents, correspondent banks or similar entities.

Regular savings plans may be available in certain countries. If a savings plan is terminated before the agreed final date, the amount of the initial charge paid may be greater than it would have been in the case of a standard subscription. Further details can be obtained from the local distributor.

Structured Products

Investment in the Shares for the purpose of creating a structured product replicating the performance of the Funds is only permitted after entering into a specific agreement to this effect with the Management Company. In the absence of such an agreement, the Management Company can refuse an investment into the Shares if this is related to a structured product and deemed by the Management Company to potentially conflict with the interest of other Shareholders.

Depositary

J.P. Morgan SE, Luxembourg Branch has been appointed by the Company as the depositary bank of the Company in charge of (i) the safekeeping of the assets of the Company (ii) the cash monitoring, (iii) the oversight functions and (iv) such other services as may be agreed in writing from time to time between the Company and the Depositary.

Under an administration agreement, J.P. Morgan SE, acting through its Luxembourg Branch has been appointed as administrator of the Company, to administer the computation of the Net Asset Value of the Funds, and to perform other general administrative functions. For its services, the administrator receives an annual fee, payable monthly, which is part of the administration charge as described under the Section 3.1 “Administration Details, Charges and Expenses”.

J.P. Morgan SE is a European Company (*Societas Europaea*) organized under the laws of Germany, having its registered office at Taunustor 1 (TaunusTurm), 60310 Frankfurt am Main, Germany and is registered with the commercial register of the local court of Frankfurt. It is a credit institution subject to direct prudential supervision by the European Central Bank (ECB), the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht*, BaFin) and *Deutsche Bundesbank*, the German Central Bank; J.P. Morgan SE, Luxembourg Branch is authorized by the CSSF to act as depositary and fund administrator and is licensed to engage in all banking operations under the laws of the Grand Duchy of Luxembourg. The principal activities of J.P. Morgan SE, Luxembourg Branch are custodial and investment administration services.

The Depositary is entrusted with the safekeeping of the Company's assets. For the financial instruments which can be held in custody, they may be held either directly by the Depositary or, to the extent permitted by applicable laws and regulations, through every third-party custodian/sub-custodian providing, in principle, the same guarantees as the Depositary itself, i.e. for Luxembourg institutions to be a credit institution within the meaning of the Luxembourg law of 5 April 1993 on the financial sector or for foreign institutions, to be a financial institution subject to the rules of prudential supervision considered as equivalent to those

provided by EU legislation. The Depositary also ensures that the Company's cash flows are properly monitored, and in particular that the subscription monies have been received and all cash of the Company has been booked in the cash account in the name of (i) the Company, (ii) the Management Company on behalf of the Company or (iii) the Depositary on behalf of the Company.

In addition, the Depositary shall:

(A) ensure that the sale, issue, repurchase, redemption and cancellation of the Shares of the Company are carried out in accordance with Luxembourg law and the Articles;

(B) ensure that the value of the Shares of the Company is calculated in accordance with Luxembourg law and the Articles;

(C) carry out the instructions of the Company, unless they conflict with Luxembourg law or the Articles;

(D) ensure that in transactions involving the Company's assets any consideration is remitted to the Company within the usual time limits;

(E) ensure that the Company's income is applied in accordance with Luxembourg law and the Articles.

The Depositary regularly provides the Company with a complete inventory of all assets of the Company.

Pursuant to the provisions of the Depositary and Custodian Agreement, the Depositary may, subject to certain conditions and in order to more efficiently conduct its duties, delegate part or all of its safekeeping duties over the Company's assets including but not limited to holding assets in custody or, where assets are of such a nature that they cannot be held in custody, verification of the ownership of those assets as well as record-keeping for those assets, to one or more third-party delegates appointed by the Depositary from time to time.

The Depositary shall exercise due skill, care and diligence in choosing and appointing the third-party delegates and in the periodic review and ongoing monitoring of any such third-party delegates and of the arrangements of the third party in respect of the matters delegated to it.

The liability of the Depositary shall not be affected by the fact that it has entrusted all or some of the Company's assets in its safekeeping to such third-party delegates.

In the case of a loss of a financial instrument held in custody, the Depositary shall return a financial instrument of an identical type or the corresponding amount to the Company without undue delay, except if such loss results from an external event beyond the Depositary's reasonable control and the consequences of which would have been unavoidable despite all reasonable efforts to the contrary.

As part of the normal course of global custody business, the Depositary may from time to time have entered into arrangements with other clients, funds or other third parties for the provision of safekeeping, fund administration or related services. Within a multi-service banking group such as JPMorgan Chase Group, from time to time conflicts may arise (i) from the delegation by the Depositary to its safekeeping delegates or (ii) generally between the interests of the Depositary and those of the Company, its Shareholders or the Investment Manager; for example, where an affiliate of the Depositary is providing a product or service to a fund and has a financial or business interest in such product or service or receives remuneration for other related products or services it provides to the funds, for instance foreign exchange, securities lending, pricing or valuation, fund administration, fund accounting or transfer agency services. In the event of any potential conflict of interest which may arise during the normal course of business, the Depositary will at all times have regard to its obligations under applicable laws including Article 25 of the UCITS V Directive.

The Depositary follows a third party oversight process in the selection and on-going monitoring of third party delegates. The Depositary's selection and on-going monitoring criteria include inter-alia a review of financial standing of the provider as well as performance against defined standards of services and local legal advice on protection of assets on insolvency and other relevant issues. The Depositary maintains a governance framework via regular meetings and management information system to ensure adherence to the Depositary's policies and procedures.

A list of the third party delegates appointed by the Depositary pursuant to the Depositary and Custodian Agreement can be found in Appendix V. Up-to-date information on the identity of the Depositary, its duties, of conflicts of interest, of the delegated safekeeping functions and of any conflicts of interest that may arise from such a delegation (or, if applicable, sub-delegation) will be made available to Investors on request.

The Depositary may receive a fee in relation to these fiduciary services, which is set at a rate of up to 0.005% per annum of the Net Asset Value of the Company.

The Depositary will receive from the Company such fees and commissions as are in accordance with usual practice in Luxembourg as well as accounting fees covering the Company's accounting. The custody safe keeping services and transaction fees are paid on a monthly basis and calculated and accrued on each Business Day. The percentage rate of the safekeeping fee and the level of transaction fees vary, according to the country in which the relevant activities take place, up to a maximum of 0.3% per annum and USD 75 per transaction respectively.

Fees relating to core fund accounting and valuation services are calculated and accrued on each Business Day at an annual rate of up to 0.0083% of the Net Asset Value of a Fund. Additional fees may be due from each Fund for additional services such as non-standard valuations, additional accounting services, for example performance fee calculations and for tax reporting services.

Fiduciary fees, custody safekeeping and transaction fees, together with fund accounting and valuation fees, may be subject to review by the Depositary and the Company from time to time. In addition, the Depositary is entitled to any reasonable expenses properly incurred in carrying out its duties.

The amounts paid to the Depositary will be shown in the Company's financial statements.

The Depositary has also been appointed to act as listing agent for the Company in relation to the listing of its Shares on the Luxembourg Stock Exchange and will receive customary fees for the performance of its duties as such.

Other Charges and Expenses

The Company will pay all charges and expenses incurred in the operation of the Company including, without limitation, taxes, expenses for legal and auditing services, brokerage, governmental duties and charges, stock exchange listing expenses, settlement costs and bank charges and fees due to

supervisory authorities in various countries, including the costs incurred in obtaining and maintaining registrations so that the Shares of the Company may be marketed in different countries; expenses incurred in the issue, switch and redemption of Shares and payment of dividends, registration fees, insurance, interest and the costs of computation and publication of Share prices and postage, telephone, facsimile transmission and the use of other electronic communication; costs of printing proxies, statements, Share certificates or confirmations of transactions, Shareholders' reports, prospectuses and supplementary documentation, explanatory brochures and any other periodical information or documentation. In certain circumstances expenses payable by the Company may also comprise investment research fees.

In addition to standard banking and brokerage charges paid by the Company, Schroders' companies providing services to the Company may receive payment for these services. Investment Managers may enter into soft commission arrangements only where there is a direct and identifiable benefit to the clients of the Investment Manager, including the Company, and where the Investment Manager is satisfied that the transactions generating the soft commissions are made in good faith, in strict compliance with applicable regulatory requirements and in the best interests of the Company. Any such arrangements must be made by the Investment Manager on terms commensurate with best market practice.

3.2. Company Information

(A) The Company is an umbrella structured open-ended investment company with limited liability, organised as a "société anonyme" and qualifies as a SICAV under Part I of the Law. The Company was incorporated on 5 December 1968 and its Articles were published in the Mémorial on 16 December 1968. The Articles were last amended on 11 October 2024.

The Company is registered with the Luxembourg register of commerce and companies under Number B-8202, where the Articles have been filed and are available for inspection. The Company exists for an indefinite period.

(B) The minimum capital of the Company required by Luxembourg law is EUR 1,250,000. The share capital of the Company is represented by fully paid Shares of no par value and is at any time equal to its net asset value. Should the capital of the Company fall below two-thirds of the minimum capital, an extraordinary general meeting of Shareholders must be convened to consider the dissolution of the Company. Any decision to liquidate the Company must be taken by the simple majority of the votes of the Shareholders present or represented at the meeting. Where the share capital falls below one quarter of the minimum capital, the Directors must convene an extraordinary general meeting of Shareholders to decide upon the liquidation of the Company. At that meeting, the decision to liquidate the Company may be taken by Shareholders holding together one quarter of the votes cast of the Shares present or represented.

(C) The following material contracts, not being contracts entered into in the ordinary course of business, have been entered into:

(1) Fund Services Agreement between the Company and Schroder Investment Management (Europe) S.A., under which the Company appoints Schroder Investment Management (Europe) S.A. as its Management Company,

(2) Depositary and Custodian Agreement between the Company and J.P. Morgan SE, Luxembourg Branch

The material contracts listed above may be amended from time to time by agreement between the parties thereto.

In relation to the Depositary and Custodian Agreement listed above:

The Depositary or the Company may terminate the Depositary and Custodian Agreement at any time upon sixty (60) calendar days' written notice (or earlier in case of certain breaches of the Depositary and Custodian Agreement provided that the Depositary and Custodian Agreement shall not terminate until a replacement depositary is appointed.

Up-to-date information regarding the description of the Depositary's duties and of conflicts of interest that may arise as well as of any safekeeping functions delegated by the Depositary, the list of third-party delegates and any conflicts of interest that may arise from such a delegation will be made available to Investors on request at the Company's registered office.

(D) The Articles are governed by, and construed in accordance with, the laws currently in force in Luxembourg. The application form is expressed to be governed by, and construed in accordance with, the laws currently in force in Luxembourg, and is subject to the jurisdiction of the courts of the Grand-Duchy of Luxembourg.

(E) There are no legal instruments in Luxembourg required for the recognition and enforcement of judgments rendered by a Luxembourg court. If a foreign, i.e. non-Luxembourg court, on the basis of mandatory domestic provisions, renders a judgment against the Company, the rules of the Brussels I Regulation (regarding judgments from EU member states) or the rules of the Lugano Convention or of the private international law of Luxembourg (regarding judgments from non-EU member states) concerning the recognition and enforcement of foreign judgments apply. Investors are advised to seek advice, on a case-by-case basis, on the available rules concerning the recognition and enforcement of judgments.

Documents of the Company

Copies of the Articles, Prospectus, Key Information Documents and financial reports may be obtained free of charge and upon request, from the registered office of the Company. The material contracts referred to above are available for inspection during normal business hours, at the registered office of the Company.

Historical Performance of the Funds

Past performance information for each Fund in operation for more than one financial year of the Company is available from the registered office of the Company and on the webpage at www.schroders.com. Past performance information is also available in the Fund fact sheets found on the webpage at www.schroders.com and upon request from the registered office of the Company.

Shareholder Notifications

Relevant notifications or other communications to Shareholders concerning their investment in the Company may be posted on the webpage www.schroders.com. In addition, and where required by Luxembourg law or the CSSF, Shareholders will also be notified in writing or in such other manner as prescribed under Luxembourg law. In particular, Shareholders should refer to 3.5 Meetings and Reports.

Queries and Complaints

Any person who would like to receive further information regarding the Company or who wishes to make a complaint about the operation of the Company should contact the Compliance Officer, Schroder Investment Management (Europe) S.A., 5, Heienhaff, L-1736 Senningerberg, Grand Duchy of Luxembourg.

3.3. Dividends

Dividend Policy

It is intended that the Company will distribute dividends to holders of Distribution Shares in the form of cash in the relevant Share Class currency (for the avoidance of doubt, in respect of the BRL Hedged Share Class this would be the relevant Fund Currency (and not BRL)). Dividends may also be paid in alternative currencies upon request. Where no payment instruction is provided via the application form by a holder of Distribution Shares, dividends will be automatically reinvested by the Company in further Shares of the same Share Class. Shareholders may instead elect to receive dividends in the form of cash in the relevant Share Class currency. However, dividends will not be distributed in cash if their amount is below EUR50 or its equivalent in another currency. Such amounts will automatically be reinvested in new Shares of the same Share Class.

The Company offers different types of Distribution Share Classes as explained in more detail below. Distribution Share Classes may differ in terms of their distribution frequency and in terms of the basis for calculating the dividend.

Distribution Frequency

Dividends will either be declared as annual dividends by the annual general meeting of Shareholders or may be paid by the Fund more frequently as deemed appropriate by the Directors.

Dividend Calculation

Distribution Share Classes based on Investment Income Before Expenses

Dividends may be paid out of capital and further reduce the relevant Fund's Net Asset Value. Dividends paid out of capital could be taxed as income in certain jurisdictions.

The general policy for Distribution Share Classes is to distribute dividends based on income for the period before deduction of expenses. The Directors will periodically review these Distribution Share Classes and reserve the right to make changes if they deem it is appropriate to declare a lower dividend. The Directors may also determine if and to what extent dividends may include distributions from both realised and unrealised capital gains as well as from capital, within the limits set up by Luxembourg law. Distributions from capital may include a premium when the interest rate of a currency hedged Share Class is higher than the Fund's base currency interest rate. Consequently when the interest rate of a currency hedged Share Class is lower than the Fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the Fund's Investment Objective or Investment Policy.

Distribution Share Classes with Stable Dividends

Dividends may be paid out of capital and further reduce the relevant Fund's Net Asset Value. Dividends paid out of capital could be taxed as income in certain jurisdictions.

The Company may also offer Distribution Share Classes which seek to provide a relatively stable dividend distribution based upon expected investment income and/or realised and unrealised capital gains as well as from capital, where necessary, within the limits set up by Luxembourg law for the period before deduction of expenses. The Directors will determine the dividends as a percentage or amount of the Net Asset Value per Share and will periodically review these Distribution Share Classes and reserve the right to make changes. Such share classes will be designated as “variable T” and may be issued in different currency denominations or distribution frequencies.

Distribution Share Classes based on Investment Income After Expenses

The Company may also offer Distribution Share Classes where the dividend is based upon investment income for the period after deduction of expenses. The Directors may also determine if and to what extent dividends may include distributions from both realised and unrealised capital gains within the limits set up by Luxembourg law.

Distribution Share Classes with Fixed Dividends

Dividends may be paid out of capital and further reduce the relevant Fund's Net Asset Value. Dividends paid out of capital could be taxed as income in certain jurisdictions.

The Company may also offer other Distribution Share Classes where the dividend is based on a fixed amount or fixed percentage of the Net Asset Value per Share. The Directors or their authorised delegate will periodically review fixed Distribution Share Classes and reserve the right to make changes, for example if the investment income after expenses is higher than the target fixed distribution the Directors or their authorised delegate may declare the higher amount to be distributed. Equally the Directors or their authorised delegate may deem it is appropriate to declare a dividend lower than the target fixed distribution.

Dividend Calendar

A dividend calendar including details on the distribution frequency and the dividend calculation basis for all available Share Classes can be requested from the Management Company and is available on www.schroders.com

Dividends to be reinvested will be paid to the Management Company who will reinvest the money on behalf of the Shareholders in additional Shares of the same Share Class.

Such Shares will be issued on the payment date at the Net Asset Value per Share of the relevant Share Class in non-certificated form. Fractional entitlements to registered Shares will be recognised to two decimal places (unless otherwise agreed with the Management Company).

Income equalisation arrangements are applied in the case of all distributing Share Classes. These arrangements are intended to ensure that the income per Share which is distributed in respect of a Distribution Period is not affected by changes in the number of Shares in issue during that period.

3.4. Taxation

The following is based on the Directors' understanding of the law and practice in force at the date of this document and applies to Investors acquiring Shares in the Company as an investment. Investors should, however, consult their financial or other professional advisers on the possible tax or other consequences of buying, holding, transferring, switching, redeeming or other dealing in the Shares under the laws of their countries of citizenship, residence and domicile.

This summary is subject to future changes.

Luxembourg Taxation

(A) Taxation of the Company

In Luxembourg, the Company is not subject to taxation on its income, profits or gains. The Company is not subject to net wealth tax.

No stamp duty, capital duty or other tax will be payable in Luxembourg upon the issue of the Shares of the Company.

The Company is subject to a subscription tax (taxe d'abonnement) levied at the rate of 0.05% per annum based on the Net Asset Value of the Company at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax of 0.01% per annum is applicable to individual Funds or individual Share Classes, provided that such Fund or Share Class comprises only one or more Institutional Investors. In addition, those Funds which invest exclusively in deposits and Money Market Instruments in accordance with the Luxembourg Law are liable to the same reduced tax rate of 0.01% per annum of their net assets.

Subscription tax exemption applies to (i) investments in a Luxembourg UCI subject itself to the subscription tax, (ii) UCI, compartments thereof or dedicated classes reserved to retirement pension schemes, (iii) money market UCIs, and, (iv) UCITS and UCIs subject to the part II of the Law whose securities are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public and whose exclusive object is to replicate the performance of one or more indices.

Withholding tax

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the source countries. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin, and provisions in this respect may be recognised in certain jurisdictions.

Distributions made by the Company are not subject to withholding tax in Luxembourg.

(B) Taxation of Shareholders

Non Luxembourg resident Shareholders

Non resident individuals or collective entities who do not have a permanent establishment in Luxembourg to which the Shares are attributable, are not subject to Luxembourg taxation on capital gains realized upon disposal of the Shares nor on the distribution received from the Company and the Shares will not be subject to net wealth tax.

US Foreign Account Tax Compliance Act 2010 (FATCA) and OECD Common Reporting Standard 2016 ("CRS")

FATCA was enacted in the USA on 18 March 2010 as part of the Hiring Incentives to Restore Employment Act. It includes provisions under which the Company as a Foreign Financial Institution ("FFI") may be required to report directly to the Internal Revenue Service ("IRS") certain information about shares held by US tax payers or other foreign entities subject to FATCA and to collect additional identification information for this purpose. Financial institutions that do not enter into an agreement with the IRS and comply with FATCA regime could be subject to 30% withholding tax on any payment of US source income as well as on the gross proceeds deriving from the sale of securities generating US income made to the Company. On 28 March 2014, the Grand-Duchy of Luxembourg entered into a Model 1 Intergovernmental Agreement ("IGA") with the USA and implemented the IGA into Luxembourg law in July 2015.

CRS has been implemented by Council Directive 2014/107/EU on the mandatory automatic exchange of tax information which was adopted on 9 December 2014 and implemented into Luxembourg law by the law of 18 December 2015 on the automatic exchange of financial account information in the field of taxation ("CRS Law"). CRS became effective among most member states of the European Union on 1 January 2016. Under CRS, the Company may be required to report to the Luxembourg tax authority certain information about shares held by investors who are tax resident in a CRS participating country and to collect additional identification information for this purpose. In order to comply with its FATCA and CRS obligations, the Company may be required to obtain certain information from its Investors so as to ascertain their tax status. Under the FATCA IGA referred to above, if the Investor is a specified person, such as a US owned non-US entity, non-participating FFI or does not provide the requisite documentation, the Company will need to report information on these Investors to the Luxembourg tax authority, in accordance with applicable laws and regulations, which will in turn report this to the IRS. Under CRS, if the Investor is tax resident in a CRS participating country and does not provide the requisite documentation, the Company will need to report information on these Investors to the Luxembourg tax authority, in accordance with applicable laws and regulations. Provided that the Company acts in accordance with these provisions it will not be subject to withholding tax under FATCA.

Shareholders and intermediaries should note that it is the existing policy of the Company that Shares are not being offered or sold for the account of US Persons or Investors who do not provide the appropriate CRS information. Subsequent transfers of Shares to US Persons are prohibited. If Shares are beneficially owned by any US Person or a person who has not provided the appropriate CRS information, the Company may in its

discretion compulsorily redeem such Shares. Shareholders should moreover note that under the FATCA legislation, the definition of specified persons will include a wider range of Investors compared to other legislation.

UK Taxation

(A) The Company

It is the intention of the Directors to conduct the affairs of the Company so as to ensure that it will not become resident in the UK. Accordingly, and provided that the Company does not carry on a trade in the UK through a branch or agency situated therein, the Company will not be subject to UK corporation tax or income tax.

(B) Shareholders

Offshore Funds Legislation

Part 8 of the Taxation (International and Other Provisions) Act 2010 and Statutory Instrument 2009/3001 (the "Offshore Funds regulations") provides that if an Investor who is resident or ordinarily resident in the United Kingdom for taxation purposes disposes of a holding in an offshore entity that constitutes an "offshore fund" and that offshore fund does not qualify as a Reporting Fund throughout the period during which the Investor holds that interest, any gain accruing to the Investor upon the sale, redemption or other disposal of that interest (including a deemed disposal on death) will be taxed at the time of such sale, redemption or other disposal as income ("offshore income gains") and not as a capital gain. The Company is an "offshore fund" for the purpose of those provisions.

All Classes of Shares in the Company, with the exception of R Shares (see further below), are managed with a view to them qualifying as Reporting Funds for taxation purposes, and accordingly any capital gain on disposal of Shares in the Company should not be reclassified as an income gain under the UK's offshore fund rules. A full list of reporting Share Classes is available from the Management Company on request. A list of Reporting Funds and their certification dates is published on the HMRC webpage https://www.gov.uk/government/publications/offshore-funds-list-of-reporting-funds

Under the offshore fund rules, Investors in Reporting Funds are subject to tax on their share of the Reporting Fund's income for an accounting period, whether or not the income is distributed to them. UK resident holders of Accumulation Share Classes should be aware that they will be required to account for and pay tax on income which has been reported to them in respect of their holdings on an annual basis through their tax return, even though such income has not been distributed to them.

For the avoidance of doubt, distributions which in accordance with 3.3 above have been reinvested in further Shares should be deemed for the purpose of UK tax as having been distributed to the Shareholders and subsequently reinvested by them, and accordingly should form part of the Shareholder's taxable income of the period in which the dividend is deemed to have been received.

In accordance with the Offshore Funds legislation, reportable income attributable to each Fund Share will be published no later than 10 months after the end of the reporting period on the following Schroders webpage: https://www.schroders.com/en-lu/lu/professional/funds-and-strategies/fund-administration/income-tables/

It is the Investor's responsibility to calculate and report their respective total reportable income to HMRC based on the number of Shares held at the end of the reporting period. In addition to reportable income attributable to each Fund Share, the report will include information on amounts distributed per Share and the dates of distributions in respect of the reporting period. Shareholders with particular needs may request their report be provided in paper form, however we reserve the right to make a charge for this service.

Chapter 3 of Part 6 of the Corporation Tax Act 2009 provides that, if at any time in an accounting period a person within the charge of United Kingdom corporation tax holds an interest in an offshore fund within the meaning of the relevant provisions of the tax legislation, and there is a time in that period when that fund fails to meet the "qualifying investments test", the interest held by such a person will be treated for that accounting period as if it were rights under a creditor relationship for the purposes of the loan relationships regime. An offshore fund fails to meet the "qualifying investments test" at any time where more than 60% of its assets by market value comprise government and corporate debt securities or cash on deposit or certain derivatives contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves meet the "qualifying investments test". The Shares will constitute interests in an offshore fund and on the basis of the investment policies of the Company, the Company could fail to meet the "qualifying investments test".

R Shares do not qualify as Reporting Funds for taxation purposes, and accordingly any capital gain on disposal of R Shares will be reclassified as an income gain under the UK's offshore fund rules and taxed accordingly.

Stamp Taxes

Transfers of Shares will not be liable to United Kingdom stamp duty unless the instrument of transfer is executed within the United Kingdom when the transfer will be liable to United Kingdom ad valorem stamp duty at the rate of 0.5% of the consideration paid rounded up to the nearest GBP 5. No United Kingdom stamp duty reserve tax is payable on transfers of Shares, or agreements to transfer Shares.

Distributions

Distributions paid by Funds that hold more than 60% of their assets in interest-bearing, or economically similar, form at any time in an accounting period are treated as a payment of annual interest for UK resident individual Investors. Where Shares are held within an individual savings account ("ISA"), this income is free of tax. For Shares held outside an ISA a Personal Savings Allowance is available to exempt the first £1,000 of interest income from tax in the hands of basic rate taxpayers. The Allowance is £500 for higher rate taxpayers and nil for additional rate taxpayers. Total interest received in excess of the Allowance in a tax year is subject to tax at the rates applying to interest (currently 20%, 40% and 45%).

Distributions paid by Funds that have no more than 60% of their assets in interest-bearing form at all times in an accounting period are treated as foreign dividends.

Where Shares are held outside an ISA, a tax-free Dividend allowance of £500 (2024/2025) is available and total dividends received in a tax year up to that amount will be free of income tax. Dividends totalling in excess of that amount will be subject to tax at rates of 8.75%, 33.75% and 39.35% where they fall within the basic rate, higher rate and additional rate bands respectively. Dividends received on Shares held within an ISA will continue to be tax-free.

Equalisation

The Company operates full equalisation arrangements. Equalisation applies to Shares purchased during a Distribution Period. The amount of income, calculated daily and included in the purchase price of all Shares purchased part way through a Distribution Period is refunded to holders of these Shares on a first distribution as a return of capital.

Being capital it is not liable to income tax and it should be excluded from the calculation of reportable income included in a UK Shareholder's tax return. The daily income element of all Shares is held on a database and is available upon request from the Company's registered office or online at https://www.schroders.com/en-lu/lu/professional/funds-and-strategies/fund-administration/equalisation/

The aim of operating equalisation is to relieve new Investors in the Company from the liability to tax on income already accrued in the Shares they acquire. Equalisation will not affect Shareholders who own their Shares for the whole of a Distribution Period.

German Taxation

In addition to the investment restrictions set out in Appendices II and III, the following Funds will also invest more than 50% of the Fund's Gross Asset Value in equity participations as defined by the German Investment Tax Act and the related BMF circular dated 21 May 2019 ("BMF Circular 2019/0415199") and as may be amended from time to time.

Fund	Fund
Schroder ISF All China Equity	Schroder ISF Global Innovation
Schroder ISF Asian Dividend Maximiser	Schroder ISF Global Recovery
Schroder ISF Asian Equity Yield	Schroder ISF Global Smaller Companies
Schroder ISF Asian Opportunities	Schroder ISF Global Sustainable Food and Water
Schroder ISF BIC (Brazil, India, China)	Schroder ISF Global Sustainable Growth
Schroder ISF BioPharma Growth	Schroder ISF Global Sustainable Value
Schroder ISF China A	Schroder ISF Greater China
Schroder ISF China A All Cap	Schroder ISF Healthcare Innovation
Schroder ISF China Opportunities	Schroder ISF Hong Kong Equity
Schroder ISF Emerging Asia	Schroder ISF Indian Equity
Schroder ISF Emerging Markets	Schroder ISF Indian Opportunities
Schroder ISF Emerging Markets Equity Alpha	Schroder ISF Italian Equity
Schroder ISF Emerging Markets ex China	Schroder ISF Japanese Equity
Schroder ISF Euro Equity	Schroder ISF Japanese Opportunities
Schroder ISF European Dividend Maximiser	Schroder ISF Japanese Smaller Companies
Schroder ISF European Smaller Companies	Schroder ISF Nordic Micro Cap
Schroder ISF European Special Situations	Schroder ISF Nordic Smaller Companies
Schroder ISF European Sustainable Equity	Schroder ISF QEP Emerging Markets Core
Schroder ISF European Value	Schroder ISF QEP Global Active Value
Schroder ISF Frontier Markets Equity	Schroder ISF QEP Global Core
Schroder ISF Global Alternative Energy	Schroder ISF QEP Global ESG
Schroder ISF Global Climate Change Equity	Schroder ISF QEP Global Quality
Schroder ISF Global Climate Leaders	Schroder ISF Robotics and Automation
Schroder ISF Global Dividend Maximiser	Schroder ISF Sustainable Asian Equity
Schroder ISF Global Emerging Market Opportunities	Schroder ISF Sustainable Multi-Factor Equity
Schroder ISF Global Emerging Markets Smaller Companies	Schroder ISF Swiss Equity
Schroder ISF Global Energy	Schroder ISF Swiss Small & Mid Cap Equity
Schroder ISF Global Equity	Schroder ISF Taiwanese Equity
Schroder ISF Global Equity Alpha	Schroder ISF UK Equity*
Schroder ISF Global Equity Impact	Schroder ISF US Equity Enhanced Income
Schroder ISF Global Equity Income Plus	Schroder ISF US Large Cap
Schroder ISF Global Equity Yield	Schroder ISF US Small & Mid-Cap Equity
Schroder ISF Global Gold	Schroder ISF US Smaller Companies Impact

**** As of 7 December 2026 the Fund's name will change to Schroder ISF European Core Equity***

The following Funds will invest at least 25% of the Gross Asset Value of the Fund in equity participations as defined by the German Investment Tax Act and the related BMF circular dated 21 May 2019 ("BMF Circular 2019/0415199") and as may be amended from time to time.

Fund	Fund
Schroder ISF Asian Total Return	
Schroder ISF Dynamic Income	Schroder ISF Latin American
Schroder ISF Emerging Europe	Schroder ISF Multi-Asset Growth and Income

Corporate actions, subscriptions, redemptions, index rebalancing, and market fluctuations may cause the Fund's equity participation ratio to temporarily fall below the relevant threshold. In such cases, the Fund will take reasonable and timely measures to restore compliance upon becoming aware of the shortfall.

Temporary declines in the equity participation ratio below the relevant threshold should generally not be considered breaches and do not result in adverse tax consequences for German investors, provided that the shortfall does not exceed 20 bank business days within a fiscal year.

The relevant equity ratio for the Funds will be published on a daily basis on Schroders German webpage at https://www.schroders.com/de-de/de/finanzberater/fonds-und-strategien/fondsuebersichten/international-selection-fund/

For the purpose of this investment restriction, reference to equity participations include:

(A) shares in a company (which may not include depository receipts) that are admitted to official trading on a stock exchange or admitted to, or included in another organised market which fulfils the criteria of a Regulated Market; and/or

(B) shares in a company other than a real estate company which is (i) resident in a Member State or in a member state of the European Economic Area, and where it is subject to, and not exempt from corporate income tax; or (ii) is a resident in any other state and subject to corporate income tax of at least 15%; and/or

(C) shares of a UCITS and/or of an AIF that is not a partnership, which – as disclosed in their respective investment terms - are continuously invested with a minimum of more than 50% of their values in equity participations (an "Equity Fund") with 50% of the units of Equity Funds held by the Fund being taken into account as equity participations; and/or

(D) shares of a UCITS and/or of an alternative investment fund (an AIF) that is not a partnership, which – as disclosed in their respective investment terms - are continuously invested with a minimum of at least 25% of their values in equity participations (a "Mixed Fund") with 25% of the units of Mixed Funds held by the Fund being taken into account as equity participations; and/or

(E) shares of Equity Funds or Mixed Funds that disclose their equity participation ratio in their respective investment terms; and/or

(F) shares of Equity Funds or Mixed Funds that report their equity participation ratio on a daily basis.

3.5. Meetings and Reports

Meetings

The annual general meeting of Shareholders of the Company is held in Luxembourg at a date and time decided by the Directors but no later than within six months from the end of the Company's previous financial year. Notices of all general meetings of shareholders are sent to shareholders by registered mail, or via alternative means permitted by applicable law, prior to the meeting and will include the agenda and specify the place of the meeting. Any general meeting at which a special resolution is to be proposed shall be convened on at least 21 days' prior notice and any general meeting at which an ordinary resolution is to be proposed shall be convened on at least 14 days' prior notice. The legal requirements as to notice, quorum and voting at all general and Fund or Share Class meetings are included in the Articles. Meetings of Shareholders of any given Fund or Share Class shall decide upon matters relating to that Fund or Share Class only.

The notice of any general meeting of Shareholders may provide that the quorum and the majority at this general meeting shall be determined according to the Shares issued and outstanding at a certain date and time preceding the general meeting (the "Record Date"). The right of a Shareholder to participate at a general meeting of Shareholders and to exercise voting rights attached to his/its/her Shares shall be determined by reference to the Shares held by this Shareholder as at the Record Date.

Reports

The financial year of the Company ends on 31 December each year. Copies of the annual and semi-annual financial reports may be obtained from the webpage www.schroders.com, and are available free of charge from the registered office of the Company. Such reports form an integral part of this Prospectus.

3.6. Details of Shares

Shareholder rights

The Shares issued by the Company are freely transferable and entitled to participate equally in the profits, and in case of Distribution Shares, dividends of the Share Classes to which they relate, and in the net assets of such Share Class upon liquidation. The Shares carry no preferential and pre-emptive rights.

Voting

At general meetings, each Shareholder has the right to one vote for each whole Share held.

A Shareholder of any particular Fund or Share Class will be entitled at any separate meeting of the Shareholders of that Fund or Share Class to one vote for each whole Share of that Fund or Share Class held.

In the case of a joint holding, only the first named Shareholder may vote.

Compulsory redemption

The Directors may impose or relax restrictions on any Shares and, if necessary, require redemption of Shares to ensure that Shares are neither acquired nor held by or on behalf of (i) any person in breach of the law or requirements of any country or government or regulatory authority or (ii) any person in circumstances which in the opinion of the Board might result in the Company incurring any liability to taxation (to include, inter alia, regulatory or tax liabilities and any other tax liabilities that might derive , inter alia, from the requirements of FATCA or the Common Reporting Standard or any similar provision or any breach thereof) or suffering any pecuniary disadvantage which the Company might not otherwise have incurred or suffered, including a requirement to register under any securities or investment or similar laws or requirements of any country or authority or (iii) any

person whose shareholding's concentration could, in the opinion of the Directors, jeopardise the liquidity of the Company or any of its Funds including those qualifying as Money Market Funds or (iv) any person whose ownership may otherwise be detrimental to the Company. In particular, if it shall come to the attention of the Directors at any time that Shares are beneficially owned by a US Person, or a specified Person for the purposes of FATCA, the Company will have the right to effect compulsory redemption of such Shares. The Directors may also decide to compulsorily redeem or convert any holding with a value of less than the minimum holding amount or where the Shareholder does not meet the eligibility criteria in respect of a particular Share Class.

The Directors may in this connection require a Shareholder to provide such information as they may consider necessary to establish whether the Shareholder is the beneficial owner of the Shares which they hold.

Transfers

The transfer of registered Shares may be effected by delivery to the Transfer Agent of a duly signed stock transfer form in appropriate form together with, if issued, the relevant certificate to be cancelled.

Rights on a winding-up

The Company has been established for an unlimited period. However, the Company may be liquidated at any time by a resolution adopted by an extraordinary general meeting of Shareholders, at which meeting one or several liquidators will be named and their powers defined. Liquidation will be carried out in accordance with the provisions of Luxembourg law. The net proceeds of liquidation corresponding to each Fund shall be distributed by the liquidators to the Shareholders of the relevant Fund in proportion to the value of their holding of Shares.

If and when the net assets of a Share Class fall below the amount of EUR 10,000,000, or all Share Classes in a Fund fall below EUR 50,000,000 or its equivalent in another currency, or such other amounts as may be determined by the Directors from time to time to be the minimum level for assets of such Share Class or Fund to be operated in an economically efficient manner or if any economic or political situation would constitute a compelling reason therefore, or if required in the interest of the Shareholders of the relevant Share Class or Fund, the Directors may decide to redeem all the Shares of that Share Class or Fund. In any such event Shareholders will be notified by redemption notice published (or notified as the case may be) by the Company in accordance with applicable Luxembourg laws and regulations prior to compulsory redemption, and will be paid the Net Asset Value of the Shares of the relevant Share Class held as at the redemption date.

Under the same circumstances as described above, the Directors may also decide upon the reorganisation of any Fund by means of a division into two or more separate Funds. Such decision will be published or notified in the same manner as described above and, in addition, the publication or notification will contain information in relation to the two or more separate Funds resulting from the reorganisation. Such publication or notification will be made at least one month before the date on which the reorganisation becomes effective in order to enable Shareholders to request redemption or switch of their Shares before the reorganisation becomes effective.

Any merger of a Fund with another Fund of the Company or with another UCITS (whether subject to Luxembourg law or not) shall be decided by the Board of Directors unless the Board of Directors decides to submit the decision for the merger to the general meeting of Shareholders of the Fund concerned. In the latter case, no quorum is required for this general meeting and the decision for the merger is taken by a simple majority of the votes cast. Such a merger will be undertaken in accordance with the provisions of the Law.

Any liquidation proceeds not claimed by the Shareholders at the close of the liquidation of a Fund will be deposited in escrow at the "Caisse de Consignation". Amounts not claimed from escrow within the period fixed by Luxembourg law (thirty years) will become the property of the state of the Grand Duchy of Luxembourg.

3.7. Pooling

For the purpose of effective management, and subject to the provisions of the Articles and to applicable laws and regulations, the Management Company may invest and manage all or any part of the portfolio of assets established for two or more Funds (for the purposes hereof "Participating Funds") on a pooled basis. Any such asset pool shall be formed by transferring to it cash or other assets (subject to such assets being appropriate with respect to the investment policy of the pool concerned) from each of the Participating Funds. Thereafter, the Management Company may from time to time make further transfers to each asset pool. Assets may also be transferred back to a Participating Fund up to the amount of the participation of the Share Class concerned. The share of a Participating Fund in an asset pool shall be measured by reference to notional units of equal value in the asset pool. On formation of an asset pool, the Management Company shall, in its discretion, determine the initial value of notional units (which shall be expressed in such currency as the Management Company considers appropriate) and shall allocate to each Participating Fund units having an aggregate value equal to the amount of cash (or to the value of other assets) contributed. Thereafter, the value of the notional unit shall be determined by dividing the Net Asset Value of the asset pool by the number of notional units subsisting.

When additional cash or assets are contributed to or withdrawn from an asset pool, the allocation of units of the Participating Fund concerned will be increased or reduced, as the case may be, by a number of units determined by dividing the amount of cash or the value of assets contributed or withdrawn by the current value of a unit. Where a contribution is made in cash, it will be treated for the purpose of this calculation as reduced by an amount which the Management Company considers appropriate to reflect fiscal charges and dealing and purchase costs which may be incurred in investing the cash concerned; in the case of cash withdrawal, a corresponding addition will be made to reflect costs which may be incurred in realising securities or other assets of the asset pool.

Dividends, interest and other distributions of an income nature received in respect of the assets in an asset pool will be immediately credited to the Participating Funds in proportion to their respective participation in the asset pool at the time of receipt. Upon the dissolution of the Company, the assets in an asset pool will be allocated to the Participating Funds in proportion to their respective participation in the asset pool.

3.8. Co-Management

In order to reduce operational and administrative charges while allowing a wider diversification of the investments, the Management Company may decide that part or all of the assets of one or more Funds will be co-managed with assets belonging to other Luxembourg collective investment schemes. In the following paragraphs, the words "co-managed entities" shall refer globally to the Funds and all entities with and between which there would exist any given co-management arrangement and the words "co-managed Assets" shall refer to the entire assets of these co-managed entities and co-managed pursuant to the same co-management arrangement.

Under the co-management arrangement, the Investment Manager, if appointed and granted the day-to-day management will be entitled to take, on a consolidated basis for the relevant co-managed entities, investment, disinvestment and portfolio readjustment decisions which will influence the composition of the relevant Fund's portfolio. Each co-managed entity shall hold a portion of the co-managed Assets corresponding to the proportion of its net assets to the total value of the co-managed Assets. This proportional holding shall be applicable to each and every line of investment held or acquired under co-management. In case of investment and/or disinvestment decisions these proportions shall not be affected and additional investments shall be allotted to the co-managed entities pursuant to the same proportion and assets sold shall be levied proportionately on the co-managed Assets held by each co-managed entity.

In case of new subscriptions in one of the co-managed entities, the subscription proceeds shall be allotted to the co-managed entities pursuant to the modified proportions resulting from the net asset increase of the co-managed entity which has benefited from the subscriptions and all lines of investment shall be modified by a transfer of assets from one co-managed entity to the other in order to be adjusted to the modified proportions. In a similar manner, in case of redemptions in one of the co-managed entities, the cash required may be levied on the cash held by the co-managed entities pursuant to the modified proportions resulting from the net asset reduction of the co-managed entity which has suffered from the redemptions and, in such case, all lines of investment shall be adjusted to the modified proportions. Shareholders should be aware that, in the absence of any specific action by the Management Company or any of the Management Company's appointed agents, the co-management arrangement may cause the composition of assets of the relevant Fund to be influenced by events attributable to other co-managed entities such as subscriptions and redemptions. Thus, all other things being equal, subscriptions received in one entity with which the Fund is co-managed will lead to an increase of the Fund's reserve of cash.

Conversely, redemptions made in one entity with which any Fund is co-managed will lead to a reduction of the Fund's reserve of cash. Subscriptions and redemptions may however be kept in the specific account opened for each co-managed entity outside the co-management arrangement and through which subscriptions and redemptions must pass. The possibility to allocate substantial subscriptions and redemptions to these specific accounts together with the possibility for the Management Company or any of the Management Company's appointed agents to decide at anytime to terminate its participation in the co-management arrangement permit the relevant Fund to avoid the readjustments of its portfolio if these readjustments are likely to affect the interest of its Shareholders.

If a modification of the composition of the relevant Fund's portfolio resulting from redemptions or payments of charges and expenses peculiar to another co-managed entity (i.e. not attributable to the Fund) is likely to result in a breach of the investment restrictions applicable to the relevant Fund, the relevant assets shall be excluded from the co-management arrangement before the implementation of the modification in order for it not to be affected by the ensuing adjustments.

Co-managed Assets of the Funds shall, as the case may be, only be co-managed with assets intended to be invested pursuant to investment objectives identical to those applicable to the co-managed Assets in order to assure that investment decisions are fully compatible with the investment policy of the relevant Fund. Co-managed Assets shall only be co-managed with assets for which the Depositary is also acting as depository in order to assure that the Depositary is able, with respect to the Company and its Funds, to fully carry out its functions and responsibilities pursuant to the Regulations. The Depositary shall at all times keep the Company's assets segregated from the assets of other co-managed entities, and shall therefore be able at all time to identify the assets of the Company and of each Fund. Since co-managed entities may have investment policies which are not strictly identical to the investment policy of the relevant Funds, it is possible that as a result the common policy implemented may be more restrictive than that of the Funds concerned.

A co-management agreement shall be signed between the Management Company, the Depositary and the Investment Managers in order to define each of the parties' rights and obligations. The Directors may decide at any time and without notice to terminate the co-management arrangement.

Shareholders may at all times contact the registered office of the Company to be informed of the percentage of assets which are co-managed and of the entities with which there is such a co-management arrangement at the time of their request. Audited annual and half-yearly reports shall state the co-managed Assets' composition and percentages.

3.9. Benchmark Regulation

Regulation (EU) 2016/1011 as amended by Regulation 2025/914 (the 'Benchmark Regulation') introduces a requirement for all benchmark administrators providing indices which are used or intended to be used as benchmarks in the way described in the Benchmark Regulation in the European Union to be authorised or registered by the competent authority. In respect of the Funds, the Benchmark Regulation prohibits such use of benchmarks unless they are produced by a European Union administrator authorised or registered by the ESMA or are non-EU benchmarks that are included in ESMA's register under the Benchmark Regulation's third country regime.

The Management Company maintains written plans setting out the actions that will be taken in the event of the benchmark materially changing or ceasing to be provided. Copies of a description of these plans are available upon request and free of charge from the registered office of the Management Company. As of the date of this Prospectus, the administrators of benchmarks used by a Fund are as follows:

Benchmark administrators	Location	Benchmarks	Fund
MSCI Limited	London	MSCI World Net TR	QEP Global Core
S&P Dow Jones Indices LLC	London	S&P 500 (Net TR)	US Equity Enhanced Income

The inclusion of any administrator of a benchmark used by a Fund within the meaning of the Benchmark Regulation in the ESMA register of benchmark administrators will be reflected in the Prospectus at its next update.

3.10. SFDR and Taxonomy

Information relating to Funds with environmental and social characteristics or sustainable investment objectives is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Consideration of principal adverse impacts

Each Fund that has environmental and/or social characteristics or has the objective of sustainable investment discloses whether it considers principal adverse impacts on sustainability factors and how in the pre-contractual disclosures for each Fund in Appendix IV. Principal adverse impacts are considered by the relevant Investment Manager of the Fund as part of its investment process. This can happen in multiple ways. For example, it may involve using the value of an indicator to engage with a holding in order to mitigate its principal adverse impact. In addition, where applicable for the Investment Manager, data on principal adverse sustainability indicators is made available via a Schroders' proprietary tool. Not all principal adverse sustainability indicators will be equally relevant for all Funds and may not be assessed in the same way for each Fund. Fund level data on principal adverse sustainability indicators is made available via the European ESG Template (EET). Information on principal adverse impacts on sustainability factors will also be disclosed in the Fund's annual report.

As at the date of this Prospectus, all other Funds do not consider principal adverse impacts on sustainability factors as the investment policies of those Funds do not promote any environmental and/or social characteristics. The situation may however be reviewed going forward.

Taxonomy

For the purposes of the Taxonomy, with the exception of Schroder International Selection Fund – Global Climate Transition Credit the Funds' investments do not take into account the EU criteria for environmentally sustainable economic activities. For further information in respect of each Fund that has environmental and/or social characteristics or has the objective of sustainable investment please see the relevant sections of the pre-contractual disclosures for each Fund in Appendix IV.

Appendix I

Investment Restrictions

The Directors have adopted the following restrictions relating to the investment of the Company's assets and its activities unless otherwise provided for in Appendix III for specific Funds. These restrictions and policies may be amended from time to time by the Directors if and as they shall deem it to be in the best interests of the Company in which case this Prospectus will be updated.

The investment restrictions imposed by Luxembourg law must be complied with by each Fund. Those restrictions in section 1(D) below are applicable to the Company as a whole.

1. Investment in Transferable Securities and Liquid Assets

(A) The Company will invest in:

(1) transferable securities and Money Market Investments admitted to or dealt in on a Regulated Market; and/or

(2) recently issued transferable securities and Money Market Investments, provided that:

(I) the terms of issue include an undertaking that application will be made for admission to official listing on a stock exchange or on another Regulated Market which operates regularly, is recognised and open to the public and

(II) such admission is secured within one year of the issue and/or

(3) units of UCITS and/or of other UCI, whether situated in an EU member state or not, provided that:

(I) such other UCIs have been authorised under laws which provide that they are subject to supervision considered by the CSSF to be equivalent to that laid down in EU Law, and that cooperation between authorities is sufficiently ensured,

(II) the level of protection for Shareholders in such other UCIs is equivalent to that provided for Shareholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and Money Market Investments are equivalent to the requirements of the UCITS Directive,

(III) the business of such other UCIs is reported in half-yearly and annual reports to enable an assessment of the assets and liabilities, income and operations over the reporting period,

(IV) no more than 10% of the assets of the UCITS or of the other UCIs, whose acquisition is contemplated, can, according to their constitutional documents, in aggregate be invested in units of other UCITS or other UCIs; and/or

(4) deposits with credit institutions which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months, provided that the credit institution has its registered office in a country which is an EU member state or, if the registered office of the credit institution is situated in a non-EU member state, provided that it is subject to prudential rules considered by the CSSF as equivalent to those laid down in EU Law; and/or

(5) derivatives, including equivalent cash-settled instruments, dealt on a Regulated Market, and/or derivatives dealt over-the-counter, provided that:

(I) the underlying consists of securities covered by this section 1(A), Financial Indices, interest rates, foreign exchange rates or currencies, in which the Funds may invest according to their investment objective;

(II) the counterparties to OTC derivatives transactions are institutions subject to prudential supervision, and belonging to the categories approved by the CSSF;

(III) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative.

and/or

(6) Money Market Investments other than those dealt in on a Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:

(I) issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong, or

(II) issued by an undertaking any securities of which are dealt in on Regulated Markets, or

(III) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined in EU Law, or

(IV) issued by other bodies belonging to categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in the first, the second or the third indent and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with the Directive 2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the

group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

In addition, the Company may invest a maximum of 10% of the Net Asset Value of any Fund in transferable securities or Money Market Investments other than those referred to under (A)(1), (A)(2) and (A)(6) above.

(7) Under the conditions and within the limits laid down by the Law, the Company may, to the widest extent permitted by the Luxembourg laws and regulations (i) create any Fund qualifying either as a feeder UCITS (a "Feeder UCITS") or as a master UCITS (a "Master UCITS"), (ii) convert any existing Fund into a Feeder UCITS, or (iii) change the Master UCITS of any of its Feeder UCITS.

A Feeder UCITS shall invest at least 85% of its assets in the units of another Master UCITS. A Feeder UCITS may hold up to 15% of its assets in one or more of the following:

- ancillary liquid assets in accordance with paragraph B below;
- derivatives, which may be used only for hedging purposes;

For the purposes of compliance with section 3 below, the Feeder UCITS shall calculate its global exposure related to derivatives by combining its own direct exposure under the above paragraph, (b) with either:

- the Master UCITS actual exposure to derivatives in proportion to the Feeder UCITS investment into the Master UCITS; or
- the Master UCITS potential maximum global exposure to derivatives provided for in the Master UCITS management regulations or instruments of incorporation in proportion to the Feeder UCITS investment into the Master UCITS.

(B) Each Fund may hold ancillary liquid assets. Liquid assets used to back-up derivatives exposure are not considered as ancillary liquid assets. Each Fund will not invest more than 20% of its net assets in cash and deposits at sight (such as cash held in current accounts) for ancillary liquidity purposes in normal market conditions. Under exceptional unfavourable market conditions (such as the September 11 attacks or the bankruptcy of Lehman Brothers in 2008) or other exceptional circumstances (such as unavoidable settlement mismatches) and on a temporary basis, this limit may be breached, if justified in the interest of the Investors.

(C) (1) Each Fund may invest no more than 10% of its Net Asset Value in transferable securities or Money Market Investments issued by the same issuing body (and in the case of structured financial instruments embedding derivatives, both the issuer of the structured financial instruments and the issuer of the underlying securities). Each Fund may not invest more than 20% of its net assets in deposits made with the same body. The counterparty risk of a Fund in a derivative transaction that is not centrally cleared through a CCP authorised in accordance with Article 14 of EMIR or recognised in accordance with Article 25 of EMIR, shall not exceed 10% of its net assets when the counterparty is a credit institution referred to in paragraph 1(A)(4) above or 5% of its net assets in other cases.

(2) Furthermore, where any Fund holds investments in transferable securities and Money Market Investments of any issuing body which individually exceed 5% of the Net Asset Value of such Fund, the total value of all such investments must not account for more than 40% of the Net Asset Value of such Fund.

This limitation does not apply to deposits and derivatives transactions made with financial institutions subject to prudential supervision.

Notwithstanding the individual limits laid down in paragraph (C)(1), a Fund shall not combine, where this would lead to investment of more than 20% of its assets in a single body, any of the following:

- investments in transferable securities or Money Market Investments issued by that body,
- deposits made with that body, or
- exposures arising from derivatives transactions undertaken with

that body that are not centrally cleared through a CCP authorised in accordance with Article 14 of EMIR or recognised in accordance with Article 25 of EMIR.

(3) The limit of 10% laid down in paragraph (C)(1) above shall be 35% in respect of transferable securities or Money Market Investments which are issued or guaranteed by an EU member state, its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members.

(4) The limit of 10% laid down in paragraph (C)(1) above shall be 25% in respect of covered bonds as defined under article 3, point 1 of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU, and for certain debt securities which are issued before 8 July 2022 by highly rated credit institutions having their registered office in an EU member state and which are subject by law to a special public supervision for the purpose of protecting the holders of such debt securities, provided that the amount resulting from the issue of such debt securities issued before 8 July 2022 are invested, pursuant to applicable provisions of the law, in assets which are sufficient to cover the liabilities arising from such debt securities during the whole period of validity thereof and which are assigned to the preferential repayment of capital and accrued interest in the case of a default by such issuer.

(5) If a Fund invests more than 5% of its assets in the debt securities referred to in the sub-paragraph above and issued by one issuer, the total value of such investments may not exceed 80% of the value of the assets of such Fund.

(6) The transferable securities and Money Market Investments referred to in paragraphs (C)(3) and (C)(4) are not included in the calculation of the limit of 40% referred to in paragraph (C)(2).

The limits set out in paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) above may not be aggregated and, accordingly, the value of investments in transferable securities and Money Market Investments issued by the same body, in deposits or derivatives made with this body, effected in accordance with paragraphs (C)(1), (C)(2), (C)(3) and (C)(4) may not, in any event, exceed a total of 35% of each Fund's Net Asset Value.

Companies which are included in the same group for the purposes of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in this paragraph (C).

A Fund may cumulatively invest up to 20% of its net assets in transferable securities and Money Market Investments within the same group.

(7) Without prejudice to the limits laid down in paragraph (D), the limits laid down in this paragraph (C) shall be 20% for investments in shares and/or bonds issued by the same body when the aim of a Fund's investment policy is to replicate the composition of a certain stock or bond index which is recognised by the CSSF, provided

- the composition of the index is sufficiently diversified,
- the index represents an adequate benchmark for the market to which it refers,
- it is published in an appropriate manner.

The limit laid down in the sub-paragraph above is raised to 35% where it proves to be justified by exceptional market conditions in particular in Regulated Markets where certain transferable securities or Money Market Investments are highly dominant or in the case of one commodity where the commodity is a dominant component of a diversified commodity index, provided in each case that investment up to 35% is only permitted for a single issuer.

(8) Where any Fund has invested in accordance with the principle of risk spreading in transferable securities or Money Market Investments issued or guaranteed by an EU member state, by its local authorities or by an Eligible State or by public international bodies of which one or more EU member states are members, the Company may invest 100% of the Net Asset Value of any Fund in such securities provided that such Fund must hold securities from at least six different issues and the value of securities from any one issue must not account for more than 30% of the Net Asset Value of the Fund.

Subject to having due regard to the principle of risk spreading, a Fund need not comply with the limits set out in this paragraph (C) for a period of 6 months following the date of its launch.

(D) (1) The Company may not normally acquire shares carrying voting rights which would enable the Company to exercise significant influence over the management of the issuing body.

(2) Each Fund may acquire no more than (a) 10% of the non-voting shares of any single issuing body, (b) 10% of the value of debt securities of any single issuing body, (c) 10% of the Money Market Investments of the same issuing body. However, the limits laid down in (b) and (c) above may be disregarded at the time of acquisition if at that time the gross amount of the debt securities or of the Money Market Investments or the net amount of securities in issue cannot be calculated.

The limits set out in paragraph (D)(1) and (2) above shall not apply to:

(1) transferable securities and Money Market Investments issued or guaranteed by an EU member state or its local authorities;

(2) transferable securities and Money Market Investments issued or guaranteed by any other Eligible State;

(3) transferable securities and Money Market Investments issued by public international bodies of which one or more EU member states are members; or

(4) shares held in the capital of a company incorporated in a non-EU member state which invests its assets mainly in the securities of issuing bodies having their registered office in that state where, under the legislation of that state, such holding represents the only way in which such Fund's assets may invest in the securities of the issuing bodies of that state, provided, however, that such company in its investment policy complies with the limits laid down in Articles 43, 46 and 48 (1) and (2) of the Law.

(E) No Fund may invest more than 10% of its net assets in units of UCITS or other UCIs, unless otherwise specified in Appendix III, and funds identified as Feeder UCITS as provided for in the investment objective and policy in Appendix III. In addition, except for funds identified as Feeder UCITS, the following limits shall apply:

(1) If a Fund is allowed to invest more than 10% of its net assets in units of UCITS and/or UCIs, this Fund may not invest more than 20% of its net assets in units of a single UCITS or other UCI. Investments made in units of UCIs other than UCITS may not, in aggregate, exceed 30% of the net assets of a Fund.

(2) When a Fund invests in the units of other UCITS and/or other UCIs linked to the Management Company by common management or control, or by a direct or indirect holding of more than 10% of the capital or the voting rights, or managed by a management company linked to the Investment Manager, no subscription or redemption fees may be charged to the Fund on account of its investment in the units of such other UCITS and/or UCIs. In respect of a Fund's investments in UCITS and other UCIs linked to the Management Company as described in the preceding paragraph, there shall be no Annual Management Charge charged to that portion of the assets of the relevant Fund. In respect of a Fund's investment of more than 10% of its assets in other

UCITS and UCIs, the maximum level of management fee that may be charged to both the Fund itself and to these underlying UCITS or other UCIs is 2.50% of that portion of the assets of the relevant Fund. The maximum level of management fee that the Fund may charge at its own level is the same as the Annual Management Charge set out in Appendix III. The Company will indicate in its annual report the total Annual Management Charges charged both to the relevant Fund and to the UCITS and other UCIs in which such Fund has invested during the relevant period.

(3) A Fund may acquire no more than 25% of the units or shares of the same UCITS and/or other UCI. This limit may be disregarded at the time of acquisition if at that time the gross amount of the units or shares in issue cannot be calculated. In case of a UCITS or other UCI with multiple sub-funds, this restriction is applicable by reference to all units or shares issued by the UCITS/UCI concerned, all sub-funds combined.

(4) The underlying investments held by the UCITS or other UCIs in which the Funds invest do not have to be considered for the purpose of the investment restrictions set forth under section 1(C) above.

(F) A Fund (the "Investing Fund") may subscribe, acquire and/or hold securities to be issued or issued by one or more Funds (each, a "Target Fund") without the Company being subject to the requirements of the law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:

(1) the Target Fund(s) do(es) not, in turn, invest in the Investing Fund invested in this (these) Target Fund (s); and

(2) no more than 10% of the assets that the Target Fund (s) whose acquisition is contemplated may be invested in units of other Target Funds; and

(3) voting rights, if any, attaching to the Shares of the Target Fund(s) are suspended for as long as they are held by the Investing Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

(4) in any event, for as long as these securities are held by the Investing Fund, their value will not be taken into consideration for the calculation of the net assets of the Company for the purposes of verifying the minimum threshold of the net assets imposed by the Law.

2. Investment in Other Assets

(A) The Company will neither make investments in precious metals, commodities or certificates representing these. In addition, the Company will not enter into derivatives on precious metals or commodities. This does not prevent the Company from gaining exposure to precious metals or commodities by investing into financial instruments backed by precious metals or commodities, or financial instruments whose performance is linked to precious metals or commodities.

(B) The Company will not purchase or sell real estate or any option, right or interest therein, provided the Company may invest in securities secured by real estate or interests therein or issued by companies which invest in real estate or interests therein.

(C) The Company may not carry out uncovered sales of transferable securities, Money Market Investments or other financial instruments referred to in sections 1(A)(3), (5) and (6).

(D) The Company may not borrow for the account of any Fund, other than amounts which do not in aggregate exceed 10% of the Net Asset Value of the Fund, and then only as a temporary measure. For the purpose of this restriction back to back loans are not considered to be borrowings.

(E) The Company will not mortgage, pledge, hypothecate or otherwise encumber as security for indebtedness any securities held for the account of any Fund, except as may be necessary in connection with the borrowings mentioned in paragraph (D) above, and then such mortgaging, pledging, or hypothecating may not exceed 10% of the Net Asset Value of each Fund. In connection with swap transactions, option and forward exchange or futures transactions the deposit of securities or other assets in a separate account shall not be considered a mortgage, pledge or hypothecation for this purpose.

(F) The Company may acquire securities in which it is permitted to invest in pursuit of its investment objective and policy through underwriting or sub-underwriting.

(G) The Company will on a Fund by Fund basis comply with such further restrictions as may be required by the regulatory authorities in any country in which the Shares are marketed.

3. Derivatives

As specified in section 1(A)(5) above, the Company may in respect of each Fund invest in financial derivative instruments, including but not limited to those described in more detail below.

Each Fund may invest, as a part of its investment policy and within the limits laid down in section 1(A)(7) and section 1(C)(5), in financial derivatives instruments provided that the exposure to the underlying assets does not exceed in aggregate the investment limits laid down in sections 1(C)(1) to (7).

When a Fund invests in index-based derivatives compliant with the provisions of sections 1(C)(1) to (7), these investments do not have to be combined with the limits laid down in section 1(C). The frequency of the review and rebalancing of the composition of the underlying index of such derivatives varies per index and could be daily, weekly, monthly, quarterly or annually. The rebalancing frequency will have no impact in terms of costs in the context of the performance of the investment objective of the relevant Fund.

When a transferable security or Money Market Investment embeds a financial derivative instrument, the latter must be taken into account when complying with the requirements of these restrictions. Transferable securities or Money Market Investments backed by other assets are not deemed to embed a derivative.

The Funds may use derivatives for investment purposes, efficient portfolio management and for hedging purposes within the limits of the Regulations. Under no circumstances shall the use of these instruments and techniques cause a Fund to diverge from its investment policy or objective. The risks against which the Funds could be hedged may be, for instance, market risk, foreign exchange risk, interest rates risk, credit risk, volatility or inflation risks.

Each Fund may invest in financial derivative instruments that are traded OTC including, without limitation, total return swaps, contracts for difference or other financial derivative instruments with similar characteristics, in accordance with the conditions set out in Appendix I and the investment objective and policy of each Fund. When a Fund uses total return swaps, it is disclosed in the Fund details. Such OTC derivatives shall, to the extent capable of being held in custody, be safekept by the Depositary.

Further information on the safekeeping of the collateral received is included in section "Depositary" above.

A total return swap is an agreement in which one party (total return payer) transfers the total economic performance of a reference obligation to the other party (total return receiver). Total economic performance includes income from interest and fees, gains or losses from market movements, and credit losses.

Total return swaps entered into by a Fund may be in the form of funded and/or unfunded swaps. An unfunded swap means a swap where no upfront payment is made by the total return receiver at inception. A funded swap means a swap where the total return receiver pays an upfront amount in return for the total return of the reference asset and can therefore be costlier due to the upfront payment requirement.

All revenue arising from total return swaps, net of direct and indirect operational costs and fees, will be returned to each Fund and are not subject to return sharing agreements. The costs attributed to total return swaps held are included in the spread.

Unless specified otherwise in Appendix III, the global exposure relating to derivatives will be calculated using a commitment approach. Funds applying a Value-at-Risk ("VaR") approach to calculate their global exposure will contain an indication thereto in Appendix III.

Agreements on OTC derivatives

A Fund may enter into agreements on OTC derivatives. The counterparties to any OTC derivatives transactions, such as total return swaps, contracts for difference, repurchase and reverse repurchase transactions or other derivatives, entered into by a Fund, are selected from a list of counterparties approved by the Management Company. The Management Company will aim to select the best available counterparties for any given markets in accordance with its group internal policy. The counterparties will be first class institutions which are either credit institutions or investment firms in each case with a registered office in an EU Member State, a G10 country or another country whose prudential rules are considered equivalent by the CSSF for this purpose and authorised under the MiFID directive or a similar set of rules and which are subject to prudential supervision. The Management Company monitors the ongoing creditworthiness of all counterparties and the list may be amended. The counterparties will have no discretion over the composition or management of the relevant Fund’s portfolio or over the underlying of the financial derivative instruments. The identity of the counterparties will be disclosed in the annual report of the Company.

Since the counterparties with which the Funds enter into total return swaps do not assume any discretion over the Fund's investments (including the reference assets, if any), no approval of the counterparties is required for any transactions relating to the investments of the Funds.

Global exposure

The global exposure of each Fund is formally monitored either using the commitment approach or the VaR approach. The selection should be based on the self-assessment by the Company of its risk profile resulting from its investment policy.

Commitment approach

The commitment conversion methodology for standard derivatives is always the market value of the equivalent position in the underlying asset. This may be replaced by the notional value or the price of the futures contract where this is more conservative. For non-standard derivatives, where it is not possible to convert the derivative into the market value or notional value of the equivalent underlying asset, an alternative approach may be used provided that the total amount of the derivatives represents a negligible portion of a Fund’s portfolio.

VaR approach

The calculation of the absolute and relative VaR should be carried out in accordance with the following parameters:

- one-tailed confidence interval of 99%;
- holding period equivalent to 1 month (20 business days);
- effective observation period (history) of risk factors of at least 1 year (250 business days) unless a shorter observation period is justified by a significant increase in price volatility (for instance extreme market conditions);
- quarterly data set updates, or more frequent when market prices are subject to material changes;
- at least daily calculation.

Stress testing will also be applied at a minimum of once per month.

VaR limits are set using an absolute or relative approach.

Absolute VaR approach

The absolute VaR approach is generally appropriate in the absence of an identifiable reference portfolio or benchmark, for example with absolute return funds. The absolute VaR approach limits the maximum VaR that a UCITS can have relative to its Net Asset Value. The absolute VaR of a Fund cannot be greater than 20% of its Net Asset Value. This limit is based upon a 1 month holding period and a 99% unilateral confidence interval.

Relative VaR approach

The relative VaR approach is used for Funds where a VaR benchmark reflecting the investment strategy which the Fund is pursuing is defined. Under the relative VaR approach a limit is set as a multiple of the VaR of a benchmark or reference portfolio. The VaR of the Fund portfolio cannot be

greater than twice the VaR of the reference portfolio. Information on the specific VaR benchmark used are disclosed in Appendix III hereunder.

4. Use of Techniques and Instruments relating to transferable securities and Money Market Investments

Techniques and instruments (including, but not limited to, securities lending, repurchase agreements and reverse repurchase agreements) relating to transferable securities and Money Market Investments may be used by each Fund for the purpose of efficient portfolio management and where this is in the best interest of the Fund and in line with its investment objective and investor profile.

To the extent permitted by and within the limits prescribed by the Regulations and in particular (i) the CSSF Circular 08/356 relating to the use of financial techniques and instruments (as may be amended, supplemented or replaced from time to time) and (ii) the CSSF circular 14/592 relating to ESMA Guidelines on ETFs and other UCITS issues, each Fund may for the purpose of generating additional capital or income or for reducing its costs or risks, enter as purchaser or seller into optional or non-optional repurchase or reverse repurchase transactions and engage in securities lending transactions.

The Company will, for the time being, not engage in securities lending transactions, repurchase or reverse repurchase transactions. Should the Company decide to use such techniques in the future, the Company will update this Prospectus accordingly and will comply with the Regulations and in particular CSSF Circular 14/592 relating to ESMA guidelines on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse.

Securities lending

Should the Company engage in securities lending, each Fund will only engage in securities lending transactions with first class institutions specialising in these types of transactions and which are subject to prudential supervision considered by the CSSF to be equivalent to that laid down in EU law.

Each Fund must ensure that it is able at any time to recall any security that has been lent out or terminate any securities lending agreement into which it has entered.

In respect of securities loans, the Fund will ensure that its counterparty delivers and each day maintains collateral of at least the market value of the securities lent. Such collateral must be in the form of cash or securities that satisfy the requirements of the Regulations. Such collateral shall comply with the requirements set out in section 5. "Management of Collateral" below.

Reverse repurchase and repurchase agreements

Repurchase agreements consist of transactions governed by an agreement whereby a party sells securities or instruments to a counterparty, subject to a commitment to repurchase them, or substituted securities or instruments of the same description, from the counterparty at a specified price on a future date specified, or to be specified, by the transferor. Such transactions are commonly referred to as repurchase agreements for the party selling the securities or instruments, and reverse repurchase agreements for the counterparty buying them.

Should a Fund engage in reverse repurchase and repurchase agreements, the Fund will only enter into reverse repurchase and repurchase agreements with counterparties which are subject to prudential supervision rules considered by the CSSF as equivalent to that laid down in EU law.

A Fund that enters into a reverse repurchase agreement shall ensure that it is able at any time to recall the full amount of cash or to terminate the reverse repurchase agreement.

A Fund that enters into a repurchase agreement shall ensure that it is able at any time to recall any securities subject to the repurchase agreement or to terminate the repurchase agreement into which it has entered.

Fixed-term repurchase and reverse repurchase agreement that do not exceed seven days shall be considered as arrangements on terms that allow the assets to be recalled at any time by the Fund.

Each Fund shall ensure that the level of its exposure to repurchase and reverse repurchase agreements is such that it is able to comply at all times with its redemption obligations.

The collateral received shall comply with the requirements set out in section 5. "Management of Collateral" below.

All revenues arising from reverse repurchase and repurchase agreements, net of direct and indirect operational costs and fees, will be returned to each Fund. Information on direct and indirect operational costs and fees that may be incurred in this respect as well as the identity of the entities to which such costs and fees are paid, as well as relationship they may have with the Depositary or the Management Company (if any), will be available in the Company's annual report.

5. Management of Collateral

The risk exposures to a counterparty arising from OTC derivatives transactions and efficient portfolio management techniques shall be combined when calculating the counterparty risk limits provided for in section 1(C) above.

Collateral received for the benefit of a Fund may be used to reduce its counterparty risk exposure if it complies with the conditions set out in applicable laws and regulations. Where a Fund enters into OTC derivatives transactions and efficient portfolio management techniques, all collateral used to reduce counterparty risk exposure shall comply with the following criteria at all times:

(A) Any collateral received other than cash shall be of high quality, highly liquid and traded on a Regulated Market or multilateral trading facility with transparent pricing in order that it can be sold quickly at a price that is close to pre-sale valuation. Collateral received shall also comply with the provisions in section 1(D) above.

(B) Collateral received shall be valued on at least a daily basis. Assets that exhibit high price volatility shall not be accepted as collateral unless suitably conservative haircuts are in place.

(C) Collateral received shall be of high quality.

(D) The collateral received shall be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty.

(E) Collateral shall be sufficiently diversified in terms of country, markets and issuers. The criterion of sufficient diversification with respect to issuer concentration is considered to be respected if the Fund receives from a counterparty of efficient portfolio management and over-the-counter derivatives transactions a basket of collateral with a maximum exposure to a given issuer of 20% of its Net Asset Value. When a Fund is exposed to different counterparties, the different baskets of collateral shall be aggregated to calculate the 20% limit of exposure to a single issuer. By way of derogation, a Fund may be fully collateralised in different transferable securities and Money Market Investments issued or guaranteed by a Member State of the EU, one or more of its local authorities, Eligible State or a public international body to which one or more of the local Member States of the EU belong. In that case the Fund must receive securities from at least six different issues, but securities from any single issue shall not account for more than 30% of the Net Asset Value of the Fund.

(F) Where there is a title transfer, the collateral received shall be held by the Depositary or one of its Correspondents to which the Depositary has delegated the custody of such collateral. For other types of collateral arrangement, the collateral can be held by a third party custodian which is subject to prudential supervision, and which is unrelated to the provider of the collateral.

(G) Collateral received shall be capable of being fully enforced by the Fund at any time without reference to or approval from the counterparty, and where applicable, collateral received should also comply with the control limits set out in this section.

(H) Subject to the above conditions, permitted forms of collateral include:

(1) cash and cash equivalents, including short-term bank certificates and Money Market Investments;

(2) government bonds with any maturity issued by countries including but not limited to the UK, the USA, France and Germany with no minimum rating.

Collateral will be valued, on a daily basis, using available market prices and taking into account appropriate haircuts which will be determined for each asset class based on the haircut policy adopted by the Management Company.

(I) Non-cash collateral received shall not be sold, re-invested or pledged.

(J) Cash collateral that isn't received on behalf of currency hedged Share Classes shall only be:

(1) placed on deposit with entities as prescribed in section 1(A)(6) above;

(2) invested in high-quality government bonds;

(3) used for the purpose of reverse repurchase transactions provided the transactions are with credit institutions subject to prudential supervision and the Fund is able to recall at any time the full amount of cash on accrued basis;

(4) invested in short-term money market funds as defined in the "ESMA Guidelines on a Common Definition of European Money Market Funds", issued by ESMA (CESR/10-049) as amended from time to time or in Money Market Funds as defined in MMFR, once applicable.

Re-invested cash collateral shall be diversified in accordance with the diversification requirements applicable to non-cash collateral as set out above. Re-investment of cash collateral involves certain risks for a Fund, as described in Appendix II.20.

Collateral policy

Collateral received by the Fund shall predominantly be limited to cash and government bonds.

Haircut policy

The following haircuts for collateral in OTC transactions are applied by the Management Company (the Management Company reserves the right to vary this policy at any time in which case this Prospectus will be updated accordingly):

Eligible Collateral	Remaining Maturity	Valuation Percentage
Cash	N/A	100%
Government Bonds	One year or under	98%
	More than one year up to and including five years	96%-97%
	More than five years up to and including ten years	93%-95%
	More than ten years up to and including thirty years	93%
	More than thirty years up to and including forty years	90%
	More than forty years up to and including fifty years	87%

6. Risk Management Process

The Company will employ a risk management process which enables it with the Investment Manager to monitor and measure at any time the risk of the positions, the use of efficient portfolio management techniques, the management of collateral and their contribution to the overall risk profile of each Fund. The Company or the Investment Manager will employ, if applicable, a process for accurate and independent assessment of the value of any OTC derivatives.

Upon request of an Investor, the Management Company will provide supplementary information relating to the quantitative limits that apply in the risk management of each Fund, to the methods chosen to this end and to the recent evolution of the risks and yields of the main categories of instruments. This supplementary information includes the VaR levels set for the Funds using such risk measure.

The risk management framework is available upon request from the Company's registered office.

Sustainability Risk Management

The investment decision making process for each Fund includes the consideration of sustainability risks alongside other factors. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could

cause an actual or a potential material negative impact on the value of an investment and the returns of the Fund. Sustainability risks could arise within a particular business or externally, impacting multiple business. Sustainability risks that could negatively affect the value of a particular investment might include the following:

- Environmental: extreme weather events such as flooding and high winds; pollution incidents; damage to biodiversity or marine habitats.
- Social: labour strikes; health and safety incidents such as injuries or fatalities; product safety issues.
- Governance: tax fraud; discrimination within a workforce; inappropriate remuneration practices; failure to protect personal data.
- Regulatory: new regulations, taxes or industry standards to protect or encourage sustainable businesses and practices may be introduced.

Different asset classes, investment strategies and investment universes may require different approaches to the integration of such risks in investment decision-making. The Investment Manager will typically analyse potential investments by assessing (alongside other relevant considerations), for example, the overall costs and benefits to society and the environment that an issuer may generate or how the market value of an issuer may be influenced by individual sustainability risks such as a rise in carbon tax. The Investment Manager will also typically consider the relevant issuer's relationships with its key stakeholders – customers, employees, suppliers and regulators - including an assessment of whether those relationships are managed in a sustainable manner and, therefore, whether there are any material risks to the market value of the issuer.

The impact of some sustainability risks may have a value or cost that can be estimated through research or the use of proprietary or external tools. In such cases, it will be possible to incorporate this into more traditional financial analysis. An example of this might be the direct implications of an increase in carbon taxes that are applicable to an issuer, which can be incorporated into a financial model as an increased cost and/or as reduced sales. In other cases, such risks may be more difficult to quantify, and so the Investment Manager may seek to incorporate their potential impact in other ways whether explicitly, for example by reducing the expected future value of an issuer or implicitly, for example by adjusting the weighting of an issuer's securities in the Fund's portfolio depending on how strongly it believes a sustainability risk may affect that issuer.

A range of proprietary tools may be used to perform these assessments, along with supplementary metrics from external data providers and the Investment Manager's own due diligence, as appropriate. This analysis informs the Investment Manager's view of the potential impact of sustainability risks on a Fund's overall investment portfolio and, alongside other risk considerations, the likely financial returns of the Fund.

The Management Company's Risk function provides independent oversight of portfolio exposures from a sustainability perspective. The oversight includes ensuring there is an independent assessment of sustainability risks within investment portfolios and adequate transparency and reporting on sustainability risk exposures.

More details on the management of sustainability risks and the Investment Manager's approach to sustainability are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/. Please also refer to the risk factor entitled "Sustainability Risks" in Appendix II of the Prospectus.

Liquidity Risk Management Framework

The Management Company has established, implemented and consistently applies a liquidity risk management framework which sets out the governance standards and requirements for the oversight of liquidity risk in relation to investment funds. The framework outlines the responsibilities for assessing, monitoring, and providing independent oversight of liquidity risks of the Funds. It also enables the Management Company to monitor the liquidity risks of the Funds and to ensure compliance with the internal liquidity parameters so that the Funds can normally meet their obligation from Share redemptions at the request of Shareholders.

Qualitative and quantitative assessments of liquidity risks at a portfolio and security level are performed to ensure that investment portfolios are appropriately liquid and that the portfolios of the Funds are sufficiently liquid to honour Shareholders' redemption requests. In addition, Shareholder concentrations are regularly reviewed to assess their potential impact on anticipated financial obligations of the Funds.

Funds are reviewed individually with respect to liquidity risks.

The Management Company's assessment of liquidity risks within Funds includes (but is not limited to) consideration of the investment strategy, the dealing frequency, the underlying assets' liquidity (and their valuation) and shareholder base.

A detailed description of the liquidity risks are further described in Appendix II of this Prospectus.

At least two appropriate liquidity management tools have been selected for each Fund, taking into account its investment strategy, its liquidity profile and its redemption policy. In this context, the following liquidity management tools have been selected as the main liquidity management tools:

- swing pricing (as further detailed in sections "Dilution" and "Dilution Adjustment") for all the Funds.
- redemption gates as further described in section "Suspensions or Deferrals" of this Prospectus for all the Funds.

In accordance with applicable laws and regulations, the Company also has the possibility to implement the following liquidity management tools, which are available for all Funds, in exceptional circumstances and where justified having regard to the interests of the Shareholders of the concerned Fund:

- temporary suspension of subscriptions and redemptions as further detailed in section "Suspensions or Deferrals";
- temporary activation of side pockets.

(A) The Company may decide to activate liquidity management tools in normal or stressed market conditions, as it considers appropriate, taking into account the best interests of the Shareholders of the Funds.

(B) Together with the Management Company, the Directors have established internal policies and procedures detailing the activation, deactivation and calibration of any selected liquidity management tool and the operational and administrative arrangements for the use of such tool.

7. Miscellaneous

(A) The Company may not make loans to other persons or act as a guarantor on behalf of third parties provided that for the purpose of this restriction the making of bank deposits and the acquisition of such securities referred to in paragraphs 1(A)(1) and (2), (3) and (4) or of ancillary liquid assets shall not be deemed to be the making of a loan and that the Company shall not be prevented from acquiring such securities above which are not fully paid. The Company need not comply with the investment limit percentages when exercising subscription rights attached to securities which form part of its assets. The Management Company, the Investment Managers, the Distributors, Depositary and any authorised agents or their associates may have dealings in the assets of the Company provided that any such transactions are effected on normal commercial terms negotiated at arm's length and provided that each such transaction complies with any of the following:

(1) a certified valuation of such transaction is provided by a person approved by the Directors as independent and competent;

(2) the transaction has been executed on best terms, on and under the rules of an organised investment exchange; or

(3) where neither (1) or (2) is practical;

(4) where the Directors are satisfied that the transaction has been executed on normal commercial terms negotiated at arm's length.

(B) Funds registered in Taiwan are restricted in the percentage of the Fund that can be invested in securities traded on the security markets of the People's Republic of China. These limits may be amended from time to time by the Financial Supervisory Commission in Taiwan.

(C) Funds registered in Hong Kong as an Eligible Collective Investment Scheme under the Capital Investment Entrant Scheme will be subject to certain investment restrictions including having to have certain minimum exposure to the permissible investment assets as specified by the relevant authorities in Hong Kong from time to time. The list of permissible investment assets are published on the webpage of Hong Kong Immigration Department.

(D) In the case of certain Funds, at least 25% or more than 50% of the Gross Asset Value of the Fund shall be invested in equity participations pursuant to German tax requirements. Please refer to section 2.4 (German Taxation) of this Prospectus for further details.

Appendix II

Risks of Investment

1. General Risks

Past performance is not a guide to future performance and Shares, other than Shares of Money Market Funds, should be regarded as a medium to long-term investment. The value of investments and the income generated by them may go down as well as up and Shareholders may not get back the amount originally invested. Where the Fund Currency varies from the Investor's home currency, or where the Fund Currency varies from the currencies of the markets in which the Fund invests, there is the prospect of additional loss (or the prospect of additional gain) to the Investor greater than the usual risks of investment.

2. Investment Objective Risk

Investment objectives express an intended result but there is no guarantee that such a result will be achieved. Depending on market conditions and the macro economic environment, investment objectives may become more difficult or even impossible to achieve. There is no express or implied assurance as to the likelihood of achieving the investment objective for a Fund.

3. Regulatory Risk

The Company is domiciled in Luxembourg and Investors should note that all the regulatory protections provided by their local regulatory authorities may not apply. Additionally the Funds will be registered in non-EU jurisdictions. As a result of such registrations the Funds may be subject, without any notice to the shareholders in the Funds concerned, to more restrictive regulatory regimes. In such cases the Funds will abide by these more restrictive requirements. This may prevent the Funds from making the fullest possible use of the investment limits.

4. Operational risk

The Company's operations (including investment management, distribution and collateral management) are carried out by several service providers. The Company and/or the Management Company follow a due diligence process in selecting service providers; nevertheless operational risk can occur and have a negative effect on the Company's operations, and it can manifest itself in various ways, including business interruption, poor performance, information systems malfunctions or failures, regulatory or contractual breaches, human error, negligent execution, employee misconduct, fraud or other criminal acts. In the event of a bankruptcy or insolvency of a service provider, investors could experience delays (for example, delays in the processing of subscriptions, conversions and redemption of Shares) or other disruptions.

5. Business, Legal and Tax Risks

In some jurisdictions the interpretation and implementation of laws and regulations and the enforcement of shareholders' rights under such laws and regulations may involve significant uncertainties. Furthermore, there may be differences between accounting and auditing standards, reporting practices and disclosure requirements and those generally accepted internationally. Some of the Funds may be subject to withholding and other taxes. Tax law and regulations of any jurisdiction are frequently reviewed and may be changed at any time, in certain cases with retrospective effect. The interpretation and applicability of tax law and regulations by tax authorities in some jurisdictions are not consistent and transparent and may vary from jurisdiction to jurisdiction and/or region to region. Any change in taxation legislation could affect the value of the investments held by and the performance of the Fund.

6. Risk Factors Relating to Industry Sectors / Geographic Areas

Funds that focus on a particular industry or geographic area are subject to the risk factors and market factors which affect this particular industry or geographic area, including legislative changes, changes in general economic conditions and increased competitive forces. This may result in a greater volatility of the Net Asset Value of the Shares of the relevant Fund. Additional risks may include greater social and political uncertainty and instability; and natural disasters.

7. Risk of Suspension of Share Dealings

Investors are reminded that in certain circumstances their right to redeem or switch Shares may be suspended (see Section 2.5, "Suspensions or Deferrals").

8. Interest Rate Risk

The values of bonds and other debt instruments usually rise and fall in response to changes in interest rates. Declining interest rates generally increase the values of existing debt instruments, and rising interest rates generally reduce the value of existing debt instruments. Interest rate risk is generally greater for investments with long durations or maturities. Some investments give the issuer the option to call or redeem an investment before its maturity date. If an issuer calls or redeems an investment during a time of declining interest rates, a Fund might have to reinvest the proceeds in an investment offering a lower yield, and therefore might not benefit from any increase in value as a result of declining interest rates.

9. Credit Risk

The ability, or perceived ability, of an issuer of a debt security to make timely payments of interest and principal on the security will affect the value of the security. It is possible that the ability of the issuer to meet its obligation will decline substantially during the period when a Fund owns securities of that issuer, or that the issuer will default on its obligations. An actual or perceived deterioration in the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities.

If a security has been rated by more than one nationally recognised statistical rating organisation the Fund's Investment Manager uses the highest rating for the purposes of determining whether the security is investment grade. When a Fund invests in securities which are not rated by a nationally recognised statistical rating organisation, the Fund's Investment Manager will determine the credit quality by referring to the issuer rating or otherwise as it sees fit (for example using the Fund's Investment Manager's internal rating). A Fund will not necessarily dispose of a security held by it if its rating falls below investment grade, although the Fund's Investment Manager will consider whether the security continues to be an appropriate investment for the Fund. A Fund's Investment Manager considers whether a

security is investment grade only at the time of purchase. Some of the Funds will invest in securities which will not be rated by a nationally recognised statistical rating organisation, but the credit quality will be determined by the Investment Manager.

Credit risk is generally greater for investments issued at less than their face values and required to make interest payments only at maturity rather than at intervals during the life of the investment. Credit rating agencies base their ratings largely on the issuer's historical financial condition and the rating agencies' investment analysis at the time of rating. The rating assigned to any particular investment does not necessarily reflect the issuer's current financial condition, and does not reflect an assessment of an investment's volatility and liquidity. Although investment grade investments generally have lower credit risk than investments rated below investment grade, they may share some of the risks of lower-rated investments, including the possibility that the issuers may be unable to make timely payments of interest and principal and thus default.

10. Liquidity Risk

Liquidity risk exists when particular investments are difficult to purchase or sell. A Fund's investment in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk. Illiquid securities may be highly volatile and difficult to value.

11. Inflation/Deflation Risk

Inflation is the risk that a Fund's assets or income from a Fund's investments may be worth less in the future as inflation decreases the value of money. As inflation increases, the real value of a Fund's portfolio could decline. Deflation risk is the risk that prices throughout the economy may decline over time. Deflation may have an adverse effect on the creditworthiness of issuers and may make issuer default more likely, which may result in a decline in the value of a Fund's portfolio.

12. Derivatives Risk

For a Fund that uses derivatives to meet its specific investment objective, there is no guarantee that the performance of the derivatives will result in a positive effect for the Fund and its Shareholders.

Each Fund may incur costs and fees in connection with total return swaps, contracts for difference or other derivatives with similar characteristics, upon entering into these instruments and/or any increase or decrease of their notional amount. The amount of these fees may be fixed or variable. Information on costs and fees incurred by each Fund in this respect, as well as the identity of the recipients and any affiliation they may have with the Depositary, the Investment Manager or the Management Company, if applicable, may be available in the annual report.

13. Warrants Risk

When a Fund invests in warrants, the price, performance and liquidity of such warrants are typically linked to the underlying stock. However, the price, performance and liquidity of such warrants will generally fluctuate more than the underlying securities because of the greater volatility of the warrants market. In addition to the market risk related to the volatility of warrants, a Fund investing in synthetic warrants, where the issuer of the synthetic warrant is different to that of the underlying stock, is subject to the risk that the issuer of the synthetic warrant will not perform its obligations under the transactions which may result in the Fund, and ultimately its Shareholders, suffering a loss.

14. Credit Default Swap Risk

A credit default swap allows the transfer of default risk. This allows a Fund to effectively buy insurance on a reference obligation it holds (hedging the investment), or buy protection on a reference obligation it does not physically own in the expectation that the credit will decline in quality. One party, the protection buyer, makes a stream of payments to the seller of the protection, and a payment is due to the buyer if there is a credit event (a decline in credit quality, which will be predefined in the agreement between the parties). If the credit event does not occur the buyer pays all the required premiums and the swap terminates on maturity with no further payments. The risk of the buyer is therefore limited to the value of the premiums paid. In addition, if there is a credit event and the Fund does not hold the underlying reference obligation, there may be a market risk as the Fund may need time to obtain the reference obligation and deliver it to the counterparty. Furthermore, if the counterparty becomes insolvent, the Fund may not recover the full amount due to it from the counterparty. The market for credit default swaps may sometimes be more illiquid than the bond markets. The Company will mitigate this risk by monitoring in an appropriate manner the use of this type of transaction.

15. Futures, Options and Forward Transactions Risk

A Fund may use options, futures and forward contracts on currencies, securities, indices, volatility, inflation and interest rates for hedging and investment purposes.

Transactions in futures may carry a high degree of risk. The amount of the initial margin is small relative to the value of the futures contract so that transactions are "leveraged" or "geared". A relatively small market movement will have a proportionately larger impact which may work for or against the Fund. The placing of certain orders which are intended to limit losses to certain amounts may not be effective because market conditions may make it impossible to execute such orders.

Transactions in options may also carry a high degree of risk. Selling ("writing" or "granting") an option generally entails considerably greater risk than purchasing options. Although the premium received by the Fund is fixed, the Fund may sustain a loss well in excess of that amount. The Fund will also be exposed to the risk of the purchaser exercising the option and the Fund will be obliged either to settle the option in cash or to acquire or deliver the underlying investment. If the option is "covered" by the Fund holding a corresponding position in the underlying investment or a future on another option, the risk may be reduced.

Forward transactions and purchasing options, in particular those traded over-the-counter and not cleared through a central counterparty, have an increased counterparty risk. If a counterparty defaults, the Fund may not get the expected payment or delivery of assets. This may result in the loss of the unrealised profit.

16. Credit Linked Note Risk

A credit linked note is a debt instrument which assumes both credit risk of the relevant reference entity (or entities) and the issuer of the credit linked note. There is also a risk

associated with the coupon payment; if a reference entity in a basket of credit linked notes suffers a credit event, the coupon will be re-set and is paid on the reduced nominal amount. Both the residual capital and coupon are exposed to further credit events. In extreme cases, the entire capital may be lost. There is also the risk that a note issuer may default.

17. Equity Linked Note Risk

The return component of an equity linked note is based on the performance of a single security, a basket of securities or an equity index. Investment in these instruments may cause a capital loss if the value of the underlying security decreases. In extreme cases the entire capital may be lost. These risks are also found in investing in equity investments directly. The return payable for the note is determined at a specified time on a valuation date, irrespective of the fluctuations in the underlying stock price. There is no guarantee that a return or yield on an investment will be made. There is also the risk that a note issuer may default.

A Fund may use equity linked notes to gain access to certain markets, for example emerging and less developed markets, where direct investment is not possible. This approach may result in the following additional risks being incurred – lack of a secondary market in such instruments, illiquidity of the underlying securities, and difficulty selling these instruments at times when the underlying markets are closed.

18. Insurance Linked Securities Risk

Insurance linked securities may incur severe or full losses as a result of insurance events such as natural, man-made or other catastrophes. Catastrophes can be caused by various events, including, but not limited to, hurricanes, earthquakes, typhoons, hailstorms, floods, tsunamis, tornados, windstorms, extreme temperatures, aviation accidents, fires, explosions and marine accidents. The incidence and severity of such catastrophes are inherently unpredictable, and the Fund's losses from such catastrophes could be material. Any climatic or other event which might result in an increase in the likelihood and/or severity of such events (for example, global warming leading to more frequent and violent hurricanes) could have a material adverse effect on the Fund. Although a Fund's exposure to such events will be diversified in accordance with its investment objective, a single catastrophic event could affect multiple geographic zones and lines of business or the frequency or severity of catastrophic events could exceed expectations, either of which could have a material adverse effect on the Fund's Net Asset Value.

19. Total Return Swaps Risk

A Fund may use total return swaps to, inter alia, replicate the exposure of an index or to swap the performance of one or more instruments into a stream of fixed or variable rate cash-flows. In such cases, the counterparty to the transaction will be a counterparty approved and monitored by the Management Company. At no time will a counterparty in a transaction have discretion over the composition or the management of the Fund's investment portfolio or over the underlying asset of the total return swap.

20. General Risk associated with OTC Transactions

Instruments traded in OTC markets may trade in smaller volumes, and their prices may be more volatile than instruments principally traded on exchanges. Such instruments may be less liquid than more widely traded instruments. In addition, the prices of such instruments may include an undisclosed dealer mark-up which a Fund may pay as part of the purchase price.

In general, there is less government regulation and supervision of transactions in OTC markets than of transactions entered into on organised exchanges. OTC derivatives are executed directly with the counterparty rather than through a recognised exchange and clearing house. Counterparties to OTC derivatives are not afforded the same protections as may apply to those trading on recognised exchanges, such as the performance guarantee of a clearing house.

The principal risk when engaging in OTC derivatives (such as non-exchange traded options, forwards, swaps or contracts for difference) is the risk of default by a counterparty who has become insolvent or is otherwise unable or refuses to honour its obligations as required by the terms of the instrument. OTC derivatives may expose a Fund to the risk that the counterparty will not settle a transaction in accordance with its terms, or will delay the settlement of the transaction, because of a dispute over the terms of the contract (whether or not bona fide) or because of the insolvency, bankruptcy or other credit or liquidity problems of the counterparty. Counterparty risk is for OTC financial derivative instruments (other than certain foreign exchange and equity option transactions) generally mitigated by the transfer or pledge of collateral in favour of the Fund. The value of the collateral may fluctuate, however, and it may be difficult to sell, so there are no assurances that the value of collateral held will be sufficient to cover the amount owed to the Fund.

A Fund may enter into OTC derivatives cleared through a clearinghouse that serves as a central counterparty. Central clearing is designed to reduce counterparty risk and increase liquidity compared to bilaterally-cleared OTC derivatives, but it does not eliminate those risks completely. The central counterparty will require margin from the clearing broker which will in turn require margin from the Fund. There is a risk of loss by a Fund of its initial and variation margin deposits in the event of default of the clearing broker with which the Fund has an open position or if margin is not identified and correctly report to the particular -Fund, in particular where margin is held in an omnibus account maintained by the clearing broker with the central counterparty. In the event that the clearing broker becomes insolvent, the Fund may not be able to transfer or "port" its positions to another clearing broker.

EU Regulation No 648/2012 on OTC derivatives, central counterparties and trade repositories (also known as the European Market Infrastructure Regulation, or "EMIR"), which came into force on 16 August 2012, introduces uniform requirements in respect of OTC derivatives transactions by requiring certain "eligible" OTC derivatives transactions to be submitted for clearing to regulated central clearing counterparties and by mandating the reporting of certain details of derivatives transactions to trade repositories. In addition, EMIR imposes requirements for appropriate procedures and arrangements to measure, monitor and mitigate operational and counterparty credit risk in respect of OTC derivatives contracts which are not subject to mandatory clearing. These requirements include the exchange of margin and, where initial margin is exchanged, its segregation by the parties, including by the Company.

Investments in OTC derivatives may be subject to the risk of differing valuations arising out of different permitted valuation methods. Although the Company has implemented appropriate valuation procedures to determine and verify the

value of OTC derivatives, certain transactions are complex and valuation may only be provided by a limited number of market participants who may also be acting as the counterparty to the transactions. Inaccurate valuation can result in inaccurate recognition of gains or losses and counterparty exposure.

Unlike exchange-traded derivatives, which are standardised with respect to their terms and conditions, OTC derivatives are generally established through negotiation with the other party to the instrument. While this type of arrangement allows greater flexibility to tailor the instrument to the needs of the parties, OTC derivatives may involve greater legal risk than exchange-traded instruments, as there may be a risk of loss if the agreement is deemed not to be legally enforceable or not documented correctly. There also may be a legal or documentation risk that the parties may disagree as to the proper interpretation of the terms of the agreement. However, these risks are generally mitigated, to a certain extent, by the use of industry-standard agreements such as those published by the International Swaps and Derivatives Association (ISDA).

21. Counterparty Risk

The Company conducts transactions through or with brokers, clearing houses, market counterparties and other agents. The Company will be subject to the risk of the inability of any such counterparty to perform its obligations, whether due to insolvency, bankruptcy or other causes.

A Fund may invest in instruments such as notes, bonds or warrants the performance of which is linked to a market or investment to which the Fund seeks to be exposed. Such instruments are issued by a range of counterparties and through its investment the Fund will be subject to the counterparty risk of the issuer, in addition to the investment exposure it seeks.

The Funds will only enter into OTC derivatives transactions, including swap agreements, with first class institutions which are subject to prudential supervision and specialising in these types of transactions. In principle, the counterparty risk for such derivatives transactions entered into with first class institutions should not exceed 10% of the relevant Fund's net assets when the counterparty is a credit institution or 5% of its net assets in other cases. However, if a counterparty defaults, the actual losses may exceed these limitations.

22. Specific Risk relating to Collateral Management

Counterparty risk arising from investments in OTC financial derivative instruments (other than certain foreign exchange and equity option transactions) and securities lending transactions, repurchase agreements and buy-sell back transactions is generally mitigated by the transfer or pledge of collateral in favour of a Fund. However, transactions may not be fully collateralised. Fees and returns due to the Fund may not be collateralised. If a counterparty defaults, the Fund may need to sell non-cash collateral received at prevailing market prices. In such a case the Fund could realise a loss due, inter alia, to inaccurate pricing or monitoring of the collateral, adverse market movements, deterioration in the credit rating of issuers of the collateral or illiquidity of the market on which the collateral is traded. Difficulties in selling collateral may delay or restrict the ability of the Fund to meet redemption requests.

A Fund may also incur a loss in reinvesting cash collateral received, where permitted. Such a loss may arise due to a decline in the value of the investments made. A decline in the value of such investments would reduce the amount of collateral available to be returned by the Fund to the counterparty as required by the terms of the transaction. The Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund.

23. OTC Derivative Clearing Risk

A Fund's OTC derivatives transactions may be cleared prior to the date on which the mandatory clearing obligation takes effect under EMIR in order to take advantage of pricing and other potential benefits. OTC derivatives transactions may be cleared under the "agency" model or the "principal-to-principal" model. Under the principal-to-principal model there is usually one transaction between the Fund and its clearing broker and another back-to-back transaction between the clearing broker and the central clearing counterparty ("CCP") whereas under the agency model there is one transaction between the Fund and the CCP. It is expected that many of a Fund's OTC derivatives transactions which are cleared will be under the "principal-to-principal" model. However, the following risks are relevant to both models unless otherwise specified.

The CCP will require margin from the clearing broker which will in turn require margin from the Fund. The Fund's assets posted as margin will be held in an account maintained by the clearing broker with the CCP. Such account may contain assets of other clients of the clearing broker (an "omnibus account") and if so, in the event of a shortfall, the assets of the Fund transferred as margin may be used to cover losses relating to such other clients of the clearing broker upon a clearing broker or CCP default.

The margin provided to the clearing broker by the Fund may exceed the margin that the clearing broker is required to provide to the CCP, particularly where an omnibus account is used. The Fund will be exposed to the clearing broker in respect of any margin which has been posted to the clearing broker but not posted to and recorded in an account with the CCP. In the event of the insolvency or failure of the clearing broker, the Fund's assets posted as margin may not be as well protected as if they had been recorded in an account with the CCP.

The Fund will be exposed to the risk that margin is not identified to the particular Fund while it is in transit from the Fund's account to the clearing broker's account and onwards from the clearing broker's account to the CCP. Such margin could, prior to its settlement, be used to offset the positions of another client of the clearing broker in the event of a clearing broker or CCP default.

A CCP's ability to identify assets attributable to a particular client in an omnibus account is reliant on the correct reporting of such client's positions and margin by the relevant clearing broker to that CCP. The Fund is therefore subject to the operational risk that the clearing broker does not correctly report such positions and margin to the CCP. In such event, margin transferred by the Fund in an omnibus account could be used to offset the positions of another client of the clearing broker in that omnibus account in the event of a clearing broker or CCP default.

In the event that the clearing broker becomes insolvent, the Fund may be able to transfer or "port" its positions to another clearing broker. Porting will not always be achievable. In particular, under the principal-to-principal model, where the Fund's positions are within an omnibus account, the ability of the Fund to port its positions is

dependent on the timely agreement of all other parties whose positions are in that omnibus account and so porting may not be achieved. Where porting is not achieved, the Fund's positions may be liquidated and the value given to such positions by the CCP may be lower than the full value attributed to them by the Fund. Additionally, there may be a considerable delay in the return of any net sum due to the Fund while insolvency proceedings in respect of the clearing broker are ongoing.

If a CCP becomes insolvent, subject to administration or an equivalent proceeding or otherwise fails to perform, the Fund is unlikely to have a direct claim against the CCP and any claim will be made by the clearing broker. The rights of a clearing broker against the CCP will depend on the law of the country in which the CCP is established and other optional protections the CCP may offer, such as the use of a third party custodian to hold the Fund's margin. On the failure of a CCP, it is likely to be difficult or impossible for positions to be ported to another CCP and so transactions will likely be terminated. In such circumstances, it is likely that the clearing broker will only recover a percentage of the value of such transactions and consequently the amount the Fund will recover from the clearing broker will be similarly limited. The steps, timing, level of control and risks relating to that process will depend on the CCP, its rules and the relevant insolvency law. However, it is likely that there will be material delay and uncertainty around when and how much assets or cash, if any, the clearing broker will receive back from the CCP and consequently the amount the Fund will receive from the clearing broker.

24. Custody Risk

Assets of the Company are safe kept by the Depositary and Investors are exposed to the risk of the Depositary not being able to fully meet its obligation to restitute in a short time frame all of the assets of the Company in the case of bankruptcy of the Depositary. The assets of the Company will be identified in the Depositary's books as belonging to the Company. Securities held by the Depositary will be segregated from other assets of the Depositary which mitigates but does not exclude the risk of non restitution in case of bankruptcy. However, no such segregation applies to cash which increases the risk of non restitution in case of bankruptcy. The Depositary does not keep all the assets of the Company itself but uses a network of sub-custodians which are not part of the same group of companies as the Depositary. Investors are exposed to the risk of bankruptcy of the sub-custodians in the same manner as they are to the risk of bankruptcy of the Depositary.

A Fund may invest in markets where custodial and/or settlement systems are not fully developed. The assets of the Fund that are traded in such markets and which have been entrusted to such sub-custodians may be exposed to risk in circumstances where the Depositary will have no liability.

25. Smaller and Micro-cap Companies Risk

A Fund which invests in smaller or micro cap companies may fluctuate in value more than other Funds. Smaller companies and micro cap companies may offer greater opportunities for capital appreciation than larger companies, but may also involve certain special risks. They are more likely than larger companies to have limited product lines, markets or financial resources, or to depend on a small, inexperienced management group. Securities of smaller or micro cap companies may, especially during periods where markets are falling, become less liquid and experience short-term price volatility and wide spreads between dealing prices. They may also trade in the OTC market or on a regional exchange, or may otherwise have limited liquidity. Consequently investments in smaller or micro cap companies may be more vulnerable to adverse developments than those in larger companies and the Fund may have more difficulty establishing or closing out its securities positions in such companies at prevailing market prices. Also, there may be less publicly available information about smaller and micro cap companies or less market interest in the securities, and it may take longer for the prices of the securities to reflect the full value of the issuers' earning potential or assets.

26. Portfolio Concentration Risk

Although the strategy of certain Funds of investing in a limited number of assets has the potential to generate attractive returns over time, a Fund which invests in a concentrated portfolio of securities may tend to be more volatile than a Fund which invests in a more broadly diversified range of securities. If the assets in which such Fund invests perform poorly, the Fund could incur greater losses than if it had invested in a larger number of assets.

27. Technology Related Companies Risk

Investments in the technology sector may present a greater risk and a higher volatility than investments in a broader range of securities covering different economic sectors. The equity securities of the companies in which a Fund may invest are likely to be affected by world-wide scientific or technological developments, and their products or services may rapidly fall into obsolescence. In addition, some of these companies offer products or services that are subject to governmental regulation and may, therefore, be adversely affected by governmental policies. As a result, the investments made by a Fund may drop sharply in value in response to market, research or regulatory setbacks.

28. Lower Rated, Higher Yielding Debt Securities Risk

A Fund may invest in lower rated, higher yielding debt securities, which are subject to greater market and credit risks than higher rated securities. Generally, lower rated securities pay higher yields than more highly rated securities to compensate Investors for the higher risk. The lower ratings of such securities reflect the greater possibility that adverse changes in the financial condition of the issuer, or rising interest rates, may impair the ability of the issuer to make payments to holders of the securities. Accordingly, an investment in the Fund is accompanied by a higher degree of credit risk than is present with investments in higher rated, lower yielding securities.

29. Property and Real Estate Companies Securities Risk

The risks associated with investments in securities of companies principally engaged in the real estate industry include: the cyclical nature of real estate values; risks related to general and local economic conditions; overbuilding and increased competition; increases in property taxes and operating expenses; demographic trends and variations in rental income; changes in zoning laws; casualty or condemnation losses; environmental risks; regulatory limitations on rents; changes in neighbourhood values; related party risks; changes in the appeal of properties to tenants; increases in interest rates; and other real estate capital market influences. Generally, increases in interest rates will increase the costs of obtaining financing, which could directly and indirectly decrease the value of the Fund's investments.

The real estate market has, at certain times, not performed in the same manner as equity and bond markets. As the real estate market frequently performs, positively or negatively and without any correlation to the equity or bond markets, these investments may affect the performance of the Fund either in a positive or a negative manner.

30. Mortgage Related and Other Asset Backed Securities Risks

Mortgage-backed securities, including collateralised mortgage obligations and certain stripped mortgage-backed securities represent a participation in, or are secured by, mortgage loans. Asset-backed securities are structured like mortgage-backed securities, but instead of mortgage loans or interests in mortgage loans, the underlying assets may include such items as motor vehicles instalment sales or instalment loan contracts, leases of various types of real and personal property and receivables from credit card agreements. Mortgage-backed and asset-backed securities are commonly used to redirect the interest and principal payments from the pool of underlying assets to investors and can be issued at a fixed or a floating rate. The securities backed by the same pool of underlying assets may be issued in a number of different tranches, or classes, with varying risk and return characteristics depending on the priority of claim on the cash flows from the pool and the terms and conditions. The higher the risk contained in the tranche, the more the security generally pays by way of income.

Traditional debt investments typically pay a fixed rate of interest until maturity, when the entire principal amount is due. By contrast, payments on mortgage-backed and many asset-backed investments typically include both interest and partial payment of principal. Principal may also be prepaid voluntarily, or as a result of refinancing or foreclosure. A Fund may have to invest the proceeds from prepaid investments in other investments with less attractive terms and yields. As a result, these securities may have less potential for capital appreciation during periods of declining interest rates than other securities of comparable maturities, although they may have a similar risk of decline in market value during periods of rising interest rates. As the prepayment rate generally declines as interest rates rise, an increase in interest rates will likely increase the duration, and thus the volatility, of mortgage-backed and asset-backed securities. In addition to interest rate risk (as described above), investments in mortgage-backed securities composed of sub-prime mortgages may be subject to a higher degree of credit risk, valuation risk and liquidity risk (as described above). Duration is a measure of the expected life of a fixed income security that is used to determine the sensitivity of the security's price to changes in interest rates. Unlike the maturity of a fixed income security, which measures only the time until final payment is due, duration takes into account the time until all payments of interest and principal on a security are expected to be made, including how these payments are affected by prepayments and by changes in interest rates.

The ability of an issuer of asset-backed securities to enforce its security interest in the underlying assets may be limited. Some mortgage-backed and asset backed investments receive only the interest portion or the principal portion of payments on the underlying assets. The yields and values of these investments are extremely sensitive to changes in interest rates and in the rate of principal payments on the underlying assets. Interest portions tend to decrease in value if interest rates decline and rates of repayment (including prepayment) on the underlying mortgages or assets increase; it is possible that a Fund may lose the entire amount of its investment in an interest portion due to a decrease in interest rates. Conversely, principal portions tend to decrease in value if interest rates rise and rates of repayment decrease. Moreover, the market for interest portions and principal portions may be volatile and limited, which may make them difficult for a Fund to buy or sell.

A Fund may gain investment exposure to mortgage-backed and asset-backed investments by entering into agreements with financial institutions to buy the investments at a fixed price at a future date. A Fund may or may not take delivery of the investments at the termination date of such an agreement, but will nonetheless be exposed to changes in the value of the underlying investments during the term of the agreement.

31. Initial Public Offerings Risk

A Fund may invest in initial public offerings, which frequently are smaller companies. Such securities have no trading history, and information about these companies may only be available for limited periods. The prices of securities involved in initial public offerings may be subject to greater price volatility than more established securities.

32. Risk Associated with Debt Securities Issued Pursuant to Rule 144A under the Securities Act of 1933

SEC Rule 144A provides a safe harbour exemption from the registration requirements of the Securities Act of 1933 for resale of restricted securities to qualified institutional buyers, as defined in the rule. The advantage for Investors may be higher returns due to lower administration charges. However, dissemination of secondary market transactions in rule 144A securities is restricted and only available to qualified institutional buyers. This might increase the volatility of the security prices and, in extreme conditions, decrease the liquidity of a particular rule 144A security.

33. Emerging and Less Developed Markets Securities Risk

Investing in emerging markets and less developed markets securities poses risks different from, and/or greater than, risks of investing in the securities of developed countries. These risks include; smaller market-capitalisation of securities markets, which may suffer periods of relative illiquidity; significant price volatility; restrictions on foreign investment; and possible repatriation of investment income and capital. In addition, foreign Investors may be required to register the proceeds of sales, and future economic or political crises could lead to price controls, forced mergers, expropriation or confiscatory taxation, seizure, nationalisation or the creation of government monopolies. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging and less developed countries.

Although many of the emerging and less developed market securities in which a Fund may invest are traded on securities exchanges, they may trade in limited volume and may encounter settlement systems that are less well organised than those of developed markets. Supervisory authorities may also be unable to apply standards that are comparable with those in developed markets. Thus there may be risks that settlement may be delayed and that cash or securities belonging to the relevant Fund may be in jeopardy because of failures of or defects in the systems or because of defects in the administrative operations of counterparties. Such counterparties may lack the substance or financial resources

of similar counterparties in a developed market. There may also be a danger that competing claims may arise in respect of securities held by or to be transferred to the Fund and compensation schemes may be non-existent or limited or inadequate to meet the Fund's claims in any of these events.

Additional risks of emerging market securities may include: greater social, economic and political uncertainty and instability; more substantial governmental involvement in the economy; less governmental supervision and regulation; unavailability of currency hedging techniques; companies that are newly organised and small; differences in auditing and financial reporting standards, which may result in unavailability of material information about issuers; and less developed legal systems. In addition taxation of interest and capital gains received by non-residents varies among emerging and less developed markets and, in some cases may be comparatively high. There may also be less well-defined tax laws and procedures and such laws may permit retroactive taxation so that the Fund could in the future become subject to local tax liabilities that had not been anticipated in conducting investment activities or valuing assets.

For specific risks related to holding Chinese shares, please refer to "Risks Relating to Investments in the China Market" later in this section.

34. Specific Risks Linked to Securities Lending and Repurchase Transactions

Securities lending and repurchase transactions involve certain risks. There is no assurance that a Fund will achieve the objective for which it entered into a transaction.

Repurchase transactions might expose the Fund to risks similar to those associated with optional or forward derivative financial instruments, the risks of which are described in other sections of this Prospectus. Securities loans may, in the event of a counterparty default or an operational difficulty, be recovered late and only in part, which might restrict the Fund's ability to complete the sale of securities or to meet redemption requests.

The Fund's exposure to its counterparty will be mitigated by the fact that the counterparty will forfeit its collateral if it defaults on the transaction. If the collateral is in the form of securities, there is a risk that when it is sold it will realise insufficient cash to settle the counterparty's debt to the Fund or to purchase replacements for the securities that were lent to the counterparty. In the latter case, the Fund's tri-party lending agent will indemnify the Fund against a shortfall of cash available to purchase replacement securities but there is a risk that the indemnity might be insufficient or otherwise unreliable.

In the event that the Fund reinvests cash collateral in one or more of the permitted types of investment that are described under Appendix I Investment Restrictions "5. Management of Collateral", there is a risk that the investment will earn less than the interest that is due to the counterparty in respect of that cash and that it will return less than the amount of cash that was invested. There is also a risk that the investment will become illiquid, which would restrict the Fund's ability to recover its securities on loan, which might restrict the Fund's ability to complete the sale of securities or to meet redemption requests.

35. Underwriting or Sub-Underwriting

A Fund may acquire securities in which it is permitted to invest in pursuit of its investment objective and policy through underwriting or sub-underwriting. There is a risk for the Fund to incur a loss if the market price of the stocks of the sub-underwriting participation falls below the price fixed in advance at which the Fund committed to buy them.

36. Potential Conflicts of Interest

The Investment Managers and Schroders may effect transactions, including techniques and instruments such as securities lending, repurchase agreements and reverse repurchase agreements, in which the Investment Managers or Schroders have, directly or indirectly, an interest which may involve a potential conflict with the Investment Managers' duty to the Company. Neither the Investment Managers nor Schroders shall be liable to account to the Company for any profit, commission or remuneration made or received from or by reason of such transactions or any connected transactions nor will the Investment Managers' fees, unless otherwise provided, be abated.

The Investment Managers will ensure that such transactions are effected on terms which are not less favourable to the Company than if the potential conflict had not existed.

Such potential conflicting interests or duties may arise because the Investment Managers or Schroders may have invested directly or indirectly in the Company.

The prospect of the performance fee may lead the Investment Managers to make investments that are riskier than would otherwise be the case.

In carrying out its functions, the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of the Company and the Investors of the Company. The Depositary shall not carry out activities with regard to the Company that may create conflicts of interest between the Company, the Investors in the Company, the Management Company and the Depositary unless the Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and the potential conflicts of interest are properly identified, managed, monitored and disclosed to Investors of the Company.

37. Investment Funds

Some of the Funds may invest all or substantially all of their assets in Investment Funds, unless otherwise disclosed, the investment risks identified in this Appendix will apply whether a Fund invests directly, or indirectly through Investment Funds, in the assets concerned.

The investments of the Funds in Investment Funds may result in an increase of total operating, administration, depositary and Annual Management Charges/expenses. However the Investment Managers will seek to negotiate a reduction in Annual Management Charges and any such reduction will be for the sole benefit of the relevant Fund.

38. Exchange Rates

The Reference Currency of each Fund is not necessarily the investment currency of the Fund concerned. Investments are made in investment funds in currencies that, in the view of the Investment Managers, best benefit the performance of the Funds. Shareholders investing in a Fund having a

Reference Currency that is different from their own should be aware that exchange rate fluctuations could cause the value of their investment to diminish or increase.

39. Fixed Income Securities

The value of fixed income securities held by Funds generally will vary upon changes in interest rates and such variation may affect Share prices of Funds investing in fixed income securities.

40. Equity Securities

Where a Fund invests in equity or equity-related investments, the values of equity securities may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labour shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities.

41. Private Equity

Investments which grant an exposure to private equity involve additional risks compared to those resulting from traditional investments. More specifically, private equity investments may imply exposure to less mature and less liquid companies. The value of financial instruments which grant exposure to private equity may be impacted in a similar manner as direct investments in private equity.

42. Commodities

Investments which grant an exposure to commodities involve additional risks compared to those resulting from traditional investments. More specifically:

- political, military and natural events may influence the production and trading of commodities and, as a consequence, negatively influence financial instruments which grant exposure to commodities;
- terrorism and other criminal activities may have an influence on the availability of commodities and therefore also negatively impact financial instruments which grant exposure to commodities.

The performance of commodities, precious metals and commodity futures also depends on the general supply situation of the respective goods, the demand for them, the expected output, extraction and production as well as the expected demand, and can for this reason be especially volatile.

43. Tax efficiency for Shareholders

Post-tax returns to Shareholders are dependent on the local tax rules in the Shareholders' place of tax residence (see section 3.4 Taxation for comments on taxation generally).

In certain countries, such as Austria and the United Kingdom, tax rules exist that may lead to larger proportions of the investment return from funds of funds being taxed in the hands of Shareholders at a higher rate than would be the case for single strategy funds.

These tax rules may be activated if the investments selected by the Investment Manager for the funds of funds are regarded as not meeting certain tests laid down by the tax authorities in the Shareholders' country of residence.

In the United Kingdom, returns from investments that are "non-reporting funds" may be treated as being entirely income, and therefore reportable as income by the fund of funds. Thus a greater proportion of the Shareholders' return from the fund of funds would be treated as income, rather than capital, and taxed accordingly at rates that are currently higher than for capital gains.

The Investment Manager of the fund of funds will endeavour to select investments that do qualify as "reporting funds", in order to minimise the impact of these local tax rules for Shareholders. However, it is possible that such investments are not available to meet certain strategic aims of the Investment Manager, and in that case it may happen that "non-reporting funds" have to be acquired.

The Investment Manager will undertake all necessary reporting as required under local tax rules to enable Shareholders to compute their tax liability in accordance with the rules.

44. Convertible Securities Risk

Convertible securities are typically bonds or preferred stocks that may be converted into a specific number of shares of the issuing company's stock at a specified conversion price.

Convertible securities combine investment characteristics and risks of equities and bonds. Depending on the value of the underlying stock, the convertible security will behave more like a stock or like a bond.

When the price of the underlying stock exceeds the conversion price, the convertible security generally behaves more like a stock and will be more sensitive to changes in equity securities. When the price of the underlying stock is lower than the conversion price, the convertible security generally behaves more like a bond and will be more sensitive to changes in interest rates and in credit spreads.

Given the benefit provided by the potential conversion, convertible securities generally offer lower yields than non-convertible securities of similar quality.

They also can be of lower credit quality and tend to be less liquid than traditional non-convertible securities. Lower credit quality debt securities are generally subject to greater market, credit and default risk compared to more highly rated securities.

45. Contingent Convertible Securities Risk

Contingent convertible securities are typically debt instruments which may be converted into the issuer's equity or be partly or wholly written off if a predefined trigger event occurs. The terms of the bond will set out specific trigger events and conversion rates. Trigger events may be outside of the issuer's control. A common trigger event is the decrease in the issuer's capital ratio below a given threshold. Conversion may cause the value of the investment to fall significantly and irreversibly, and in some cases even to zero.

Coupon payments on certain contingent convertible securities may be entirely discretionary and may be cancelled by the issuer at any point, for any reason, and for any length of time.

Contrary to typical capital hierarchy, contingent convertible securities investors may suffer a loss of capital before equity holders.

Most contingent convertible securities are issued as perpetual instruments which are callable at pre-determined dates. Perpetual contingent convertible securities may not be called on the pre-defined call date and investors may not receive return of principal on the call date or at any date.

There are no widely accepted standards for valuing contingent convertible securities. The price at which bonds are sold may therefore be higher or lower than the price at which they were valued immediately before their sale.

In certain circumstances finding a ready buyer for contingent convertible securities may be difficult and the seller may have to accept a significant discount to the expected value of the bond in order to sell it.

46. Sovereign Risk

There is a risk that governments or their agencies may default or not completely fulfil their obligations. In addition, there is no bankruptcy proceeding for sovereign debt securities on which money to pay the obligations of sovereign debt securities may be collected in whole or in part. As a consequence of this, holders of sovereign debt securities may be requested to participate in the rescheduling of sovereign debt securities and to extend further loans to the issuers of sovereign debt securities.

47. Hedging Risk

A Fund may (directly or indirectly) employ hedging by taking long and short positions in related instruments. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of such portfolio positions or prevent losses if the values of such positions decline. Hedging transactions may limit the opportunity for gain if the value of the portfolio position should increase. In the event of an imperfect correlation between a position in a hedging instrument and the portfolio position that it is intended to protect, the desired protection may not be obtained, and a Fund may be exposed to risk of loss. In addition, it is not possible to hedge fully or perfectly against any risk, and hedging entails its own costs.

48. Synthetic Short Selling Risk

A Fund may use financial derivative instruments to implement synthetic short positions. If the price of the instrument or market which the Fund has taken a short position on increases, then the Fund will incur a loss in relation to the increase in price from the time that the short position was entered into plus any premiums and interest paid to a counterparty. Therefore, taking short positions involves the risk that losses may be exaggerated, potentially losing more money than the actual cost of the investment.

49. RMB Hedged Share Classes Risk

Since 2005, the RMB exchange rate is no longer pegged to the USD. RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market is allowed to float within a narrow band around the central parity published by the People's Republic of China. RMB convertibility from offshore RMB (CNH) to onshore RMB (CNY) is a managed currency process subject to foreign exchange control policies of and repatriation restrictions imposed by the Chinese government in coordination with the Hong Kong Monetary Authority (HKMA). The value of CNH could differ, perhaps significantly, from that of CNY due to a number of factors including without limitation those foreign exchange control policies and repatriation restrictions.

Since 2005, foreign exchange control policies pursued by the Chinese government have resulted in the general appreciation of RMB (both CNH and CNY). This appreciation may or may not continue and there can be no assurance that RMB will not be subject to devaluation at some point.

The RMB Hedged Share Classes participate in the offshore RMB (CNH) market, which allows investors to freely transact CNH outside of mainland China with approved banks in the Hong Kong market (HKMA approved banks). The RMB Hedged Share Classes will have no requirement to remit CNH to onshore RMB (CNY).

50. Risks Relating to Investments in the China Market

Investors may also be subject to risks specific to the China market. Any significant change in mainland China's political, social or economic policies may have a negative impact on investments in the China market. The regulatory and legal framework for capital markets in mainland China may not be as well developed as those of developed countries. Chinese accounting standards and practices may deviate significantly from international accounting standards. The settlement and clearing systems of the Chinese securities markets may not be well tested and may be subject to increased risks of error or inefficiency. Investors should also be aware that changes in mainland China's taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments in the Fund.

In particular, the taxation position of foreign investors holding Chinese shares has historically been uncertain. Transfers of A and B shares of People's Republic of China (PRC) resident companies by foreign corporate shareholders are subject to a 10% capital gains withholding tax, although the tax has not been collected in the past, and uncertainties remain over the timing, any retrospective impact, and the calculation method. Subsequently, the PRC tax authorities announced in November 2014 that gains on the transfer of shares and other equity investments in China by foreign investors would be subject to a 'temporary' exemption from capital gains withholding tax. There was no comment about the duration of this temporary exemption. No accruals are being made for gains realised post-17 November 2014 pending further developments. The situation is being kept under review for indications of any change in market practice or the release of further guidance from the PRC authorities, and accruals for PRC capital gains withholding tax may re-commence without notice upon the release of such guidance if the Directors and their advisors believe this is appropriate.

PRC corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by foreign investors (including the Funds) on trading of China A-Shares via the Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. However, foreign investors are required to pay tax on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant in-charge PRC tax authorities by the listed companies. For investors who are tax residents of a jurisdiction which has concluded a tax treaty with the PRC, such investors may apply for a refund of the PRC withholding income tax overpaid if the relevant tax treaty provides for a

lower PRC withholding income tax on dividends for a lower dividend tax rate, such investors may apply to the tax authority for a refund of the differences.

51. China – Risks Regarding QFI Status

Under current regulations in the PRC, foreign investors (such as the Company) may invest in certain eligible onshore PRC investments, in general, only through entities that have obtained status as a Qualified Foreign Investor ("QFI") from the China Securities Regulatory Commission ("CSRC"), for example the Investment Managers. The QFI regime is governed by rules and regulations as promulgated by the mainland Chinese authorities, i.e., the CSRC, the State Administration of Foreign Exchange ("SAFE") and the People's Bank of China ("PBOC"). Such rules and regulations may be amended from time to time.

Pursuant to the Provisions on the Administration of Funds of Foreign Institutional Investors for Domestic Securities and Futures Investment, the previous investment quota restrictions under the Qualified Foreign Institutional Investor (QFII) regime and Renminbi Qualified Foreign Institutional Investor (RQFII) regime have been removed. Further, from 1 November 2020, the QFII and RQFII regimes have been merged, such that QFIIs and RQFIIs are now regulated as QFIs under a set of regulations which unifies the previously separate requirements governing QFIIs and RQFIIs. Foreign institutional investors that previously held a QFII and/or RQFII licence are regarded as QFIs and are not required to re-apply for QFI status.

As disclosed in the Fund details, some Funds may invest directly in the PRC via the QFII status (now known as QFI status) of the relevant Investment Managers (i.e. QFI Holders).

The following risks are relevant to the QFI regime:

Risks regarding QFI status- Investors should note that QFI status could be suspended or revoked/terminated or otherwise invalidated, which may have an adverse effect on the Funds' performance as the Funds may be required to dispose of its securities holdings and /or may be prohibited from trading of relevant securities and repatriation of the Funds' monies. The Funds may suffer substantial losses.

Investors should note that there can be no assurance that the Investment Managers (as QFI Holders) will continue to maintain their QFI status or that redemption requests can be processed in a timely manner due to adverse changes in relevant laws or regulations. Such restrictions may result in a rejection of subscription applications and a suspension of dealings of the Funds. In extreme circumstances, the Funds may incur significant losses due to limited investment capabilities, or may not be able to fully implement or pursue their investment objective or strategy, due to QFI investment restrictions, the illiquidity of the Chinese domestic securities market, and/or delay or disruption in the execution of trades or in the settlement of trades.

The Investment Manager, as a QFI holder, and Funds, which uses the Investment Manager's status as a QFI, are not subject to quota restrictions under the QFI regimes. There is no assurance, however, that PRC rules and regulations will not change or that quota restrictions will not be imposed in the future. Any restrictions on quota may affect the Investment Manager's ability to effectively pursue the investment strategy of the Funds.

The rules and restrictions under QFI regulations, generally apply to the QFI as a whole and not simply to the investments made by the Funds. The CSRC, SAFE and PBOC are vested with the power to impose regulatory sanctions if the QFI or the QFI Custodian violates any provision of certain QFI regulations. Any such regulatory sanctions may adversely impact the Investment Manager's ability to effectively pursue the investment strategy of the Funds.

Risks regarding application of QFI rules - The QFI rules enable Renminbi and funds in foreign currency to be remitted into and repatriated out of the PRC. The QFI rules are relatively new in nature and their application may depend on the interpretation given by the relevant Chinese authorities. A Fund's ability to make the relevant investments or to fully implement or pursue its investment objective and strategy is subject to the applicable laws, rules and regulations (including restrictions on investments and repatriation of principal and profits) in the PRC, which are subject to change. Any changes to the relevant rules may have an adverse impact on investors' investment in the Funds. Such changes may have potential retrospective effect on the Funds and may adversely affect the Funds. A Fund may suffer substantial losses if the approval of the QFI status is being revoked/terminated or otherwise invalidated as the Fund may be prohibited from trading of relevant securities and repatriation of the Fund's monies, or if any of the key operators or parties (including China custodian/PRC brokers) is bankrupt/in default and/or is disqualified from performing its obligations (including execution or settlement of any transaction or transfer of any funds or securities).

Risks regarding repatriation and liquidity risks - Certain restrictions imposed by the Chinese government on QFIs may have an adverse effect on the Funds' liquidity and performance. The SAFE regulates and monitors the repatriation of funds out of the PRC by the QFI holders. Repatriations in RMB and/or funds in foreign currency conducted by QFI holders in respect of an open-ended fund (such as the Funds) are currently not subject to any lock-up periods, prior approval or other repatriation restrictions, although authenticity and compliance reviews will be conducted, and monthly reports on remittances and repatriations will be submitted to SAFE by the China custodian. There is no assurance, however, that PRC rules and regulations will not change or that lock-up periods or repatriation restrictions will not be imposed in the future. Any restrictions on repatriation of the invested capital and net profits may impact on the Funds' ability to meet redemption requests. Furthermore, as the China custodian's review on authenticity and compliance is conducted on each repatriation, the repatriation may be delayed or even rejected by the China custodian in case of non-compliance with the QFI regulations. In such case, it is expected that redemption proceeds will be paid to the redeeming Shareholders as soon as practicable after completion of the repatriation of funds concerned. It should be noted that the actual time required for the completion of the relevant repatriation will be beyond the Investment Managers' control.

Risk pertaining to cash deposited with China custodian - Investors should note that cash deposited in the cash accounts of the Funds with the China custodian will not be segregated but will be a debt owing from the China custodian to the Funds as a depositor. Such cash will be co-mingled with cash that belongs to other clients or creditors of the China custodian. In the event of bankruptcy or liquidation of the China custodian, the Funds will not have any proprietary rights to the cash deposited in such cash accounts, and the Funds will become an unsecured creditor, ranking pari passu with all other unsecured creditors, of the

China custodian. The Funds may face difficulty and/or encounter delays in recovering such debt, or may not be able to recover it in full or at all, in which case the Funds will suffer. The Funds may lose the total amount deposited with the China custodian and suffer a loss.

PRC Brokerage Risk - The execution and settlement of transactions or the transfer of any funds or securities may be conducted by PRC brokers and/or the China custodian. There is a risk that the Funds may suffer losses from the default, bankruptcy or disqualification of the PRC brokers and/or the China custodian. In such event, the Funds may be adversely affected in the execution or settlement of any transaction or in the transfer of any funds or securities.

In selection of PRC brokers, the QFI Holders will have regard to factors such as the competitiveness of commission rates, size of the relevant orders and execution standards. If the QFI Holders consider appropriate, it is possible that a single PRC Broker will be appointed and the Funds may not necessarily pay the lowest commission available in the market.

52. China – Repatriation and Liquidity Risks

There are currently no restrictions on repatriation of proceeds out of China for Funds invested in onshore securities. There is however no assurance that repatriation will not be subject to stricter rules and restrictions due to a change in the current regulations. This may impact the liquidity of the Fund and its ability to meet redemption requests upon demand.

53. China Interbank Bond Market Risks

The on-shore China bond market mainly consists of the interbank bond market and the exchange listed bond market. The CIBM is an OTC market established in 1997. Currently, more than 90% of CNY bond trading activity takes place in the CIBM, and the main products traded in this market include government bonds, enterprise bonds, policy bank bonds, and medium term notes.

The CIBM is in a stage of development and internationalisation. Market volatility and potential lack of liquidity due to low trading volume may result in prices of certain debt securities traded on such market fluctuating significantly. Funds investing in such market are therefore subject to liquidity and volatility risks and may suffer losses in trading on-shore China bonds. In particular, the bid and offer spreads of the prices of on-shore China bonds may be large, and the relevant Funds may therefore incur significant trading and realisation costs when selling such investments.

To the extent that a Fund transacts in the CIBM in on-shore China, the Fund may also be exposed to risks associated with settlement procedures and default of counterparties. The counterparty which has entered into a transaction with the Fund may default in its obligation to settle the transaction by delivery of the relevant security or by payment for value.

The CIBM is also subject to regulatory risks.

54. China Bond Connect

Some Funds can, in accordance with their investment policy, invest in the CIBM via the Bond Connect (as described below).

The Bond Connect is an initiative launched in July 2017 for mutual bond market access between Hong Kong and Mainland China established by China Foreign Exchange Trade System & National Interbank Funding Centre ("CFETS"), China Central Depositary & Clearing Co., Ltd, Shanghai Clearing House, Hong Kong Exchanges and Clearing Limited and Central Moneymarkets Unit.

Under the prevailing regulations in Mainland China, eligible foreign investors will be allowed to invest in the bonds circulated in the CIBM through the northbound trading of the Bond Connect ("Northbound Trading Link"). There will be no investment quota for the Northbound Trading Link.

Pursuant to the prevailing regulations in mainland China an offshore custody agent recognised by the Hong Kong Monetary Authority (currently, the Central Moneymarkets Unit) shall open omnibus nominee accounts with the onshore custody agent recognised by the People's Bank of China (currently recognised onshore custody agents are the China Securities Depository & Clearing Co., Ltd and Interbank Clearing Company Limited). All bonds traded by eligible foreign investors will be registered in the name of Central Moneymarkets Unit, which will hold such bonds as a nominee owner.

Because the Central Moneymarkets Unit is only a nominee holder and not the beneficial owner of the securities, in the unlikely event that the Central Moneymarkets Unit becomes subject to winding up proceedings in Hong Kong, investors should note that securities will not be regarded as part of the general assets of the Central Moneymarkets Unit available for distribution to creditors even under the PRC law. However, the Central Moneymarkets Unit will not be obliged to take any legal action or enter into court proceedings to enforce any rights on behalf of investors in securities in the PRC. A failure or delay by the Central Moneymarkets Unit in the performance of its obligations may result in a failure of settlement, or the loss, of securities and/or monies in connection with them and the relevant Funds and its Investors may suffer losses as a result. Neither the Funds nor the Investment Manager or any Sub-Investment Manager shall be responsible or liable for any such losses.

For investments via the Bond Connect, the relevant filings, registration with the People's Bank of China and account opening have to be carried out via an onshore settlement agent, offshore custody agent, registration agent or other third parties (as the case may be). As such, the Funds are subject to the risks of default or errors on the part of such third parties.

Trading in securities via Bond Connect may be subject to clearing and settlement risk. If the PRC clearing house defaults on its obligation to deliver securities / make payment, the Fund may suffer delays in recovering its losses or may not be able to fully recover its losses. Investing in the CIBM via the Bond Connect is also subject to regulatory risks. The relevant rules and regulations on these regimes are subject to change which may have potential retrospective effect. If the relevant mainland Chinese authorities suspend account opening or trading on the CIBM, the Funds' ability to invest in the CIBM will be adversely affected. In such event, the Funds' ability to achieve its investment objective will be negatively affected.

55. Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect

All Funds which can invest in China may invest in China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect programmes (the "Stock Connect") subject to any applicable regulatory limits. The Stock Connect is a securities trading and clearing linked programme developed by The Stock Exchange of Hong Kong Limited ("SEHK"), the Hong Kong Securities Clearing

Company Limited ("HKSCC"), Shanghai Stock Exchange or Shenzhen Stock Exchange, and China Securities Depository and Clearing Corporation Limited ("ChinaClear") with an aim to achieve mutual stock market access between mainland China and Hong Kong. The Stock Connect allows foreign investors to trade certain Shanghai Stock Exchange or Shenzhen Stock Exchanges listed China A-Shares through their Hong Kong based brokers.

The Funds seeking to invest in the domestic securities markets of the PRC may use the Stock Connect, in addition to the QFI scheme and, thus, are subject to the following additional risks:

General Risk: The relevant regulations are untested and subject to change. There is no certainty as to how they will be applied which could adversely affect the Funds. The Stock Connect requires use of new information technology systems which may be subject to operational risk due to its cross-border nature. If the relevant systems fail to function properly, trading in Hong Kong and Shanghai/Shenzhen markets through Stock Connect could be disrupted.

Clearing and Settlement Risk: The HKSCC and ChinaClear have established the clearing links and each will become a participant of each other to facilitate clearing and settlement of cross-boundary trades. For cross-boundary trades initiated in a market, the clearing house of that market will on one hand clear and settle with its own clearing participants, and on the other hand undertake to fulfil the clearing and settlement obligations of its clearing participants with the counterparty clearing house.

Legal/Beneficial Ownership: Where securities are held in custody on a cross-border basis, there are specific legal/beneficial ownership risks linked to compulsory requirements of the local Central Securities Depositaries, HKSCC and ChinaClear.

As in other emerging and less developed markets, the legislative framework is only beginning to develop the concept of legal/formal ownership and of beneficial ownership or interest in securities. In addition, HKSCC, as nominee holder, does not guarantee the title to Stock Connect securities held through it and is under no obligation to enforce title or other rights associated with ownership on behalf of beneficial owners. Consequently, the courts may consider that any nominee or custodian as registered holder of Stock Connect securities would have full ownership thereof, and that those Stock Connect securities would form part of the pool of assets of such entity available for distribution to creditors of such entities and/or that a beneficial owner may have no rights whatsoever in respect thereof. Consequently the Funds and the Depositary cannot ensure that the Funds ownership of these securities or title thereto is assured.

To the extent that HKSCC is deemed to be performing safekeeping functions with respect to assets held through it, it should be noted that the Depositary and the Funds will have no legal relationship with HKSCC and no direct legal recourse against HKSCC in the event that the Funds suffer losses resulting from the performance or insolvency of HKSCC.

In the event ChinaClear defaults, HKSCC's liabilities under its market contracts with clearing participants will be limited to assisting clearing participants with claims. HKSCC will act in good faith to seek recovery of the outstanding stocks and monies from ChinaClear through available legal channels or the liquidation of ChinaClear. In this event, the Funds may not fully recover its losses or its Stock Connect securities and the process of recovery could also be delayed.

Operational Risk: The HKSCC provides clearing, settlement, nominee functions and other related services of the trades executed by Hong Kong market participants. PRC regulations which include certain restrictions on selling and buying will apply to all market participants. In the case of sale, pre-delivery of shares are required to the broker, increasing counterparty risk. Because of such requirements, the Funds may not be able to purchase and/or dispose of holdings of China A-Shares in a timely manner.

Quota Limitations: The Stock Connect is subject to quota limitations which may restrict the Funds ability to invest in China A-Shares through the Stock Connect on a timely basis.

Investor Compensation: The Funds will not benefit from local investor compensation schemes. Stock Connect will only operate on days when both the PRC and Hong Kong markets are open for trading and when banks in both markets are open on the corresponding settlement days. There may be occasions when it is a normal trading day for the PRC market but the Funds cannot carry out any China A-Shares trading. The Funds may be subject to risks of price fluctuations in China A-Shares during the time when Stock Connect is not trading as a result.

Investment Risk: securities traded via Shenzhen-Hong Kong Stock Connect may be smaller companies which are subject to Smaller Companies Risk as detailed earlier in this Appendix.

Risks associated with the Science and Technology Innovation Board (STAR Board) and/or ChiNext market

A Fund may invest in the Science, Technology and Innovation board ("STAR Board") of the Shanghai Stock Exchange ("SSE") and/or the ChiNext market of the SZSE via the Shenzhen Hong Kong Stock Connect. Investments in the STAR Board, and/or ChiNext market may result in significant losses for a Fund and its investors. The following additional risks apply:

– *Higher fluctuation on stock prices*

  Listed companies on the STAR Board and/or ChiNext market are usually of emerging nature with smaller operating scale. Hence, they are subject to higher fluctuation in stock prices, may have limited liquidity due to higher entry thresholds for investors, and have higher risks and turnover ratios than companies listed on the main board of the SZSE or SSE as relevant.

– *Over-valuation risk*

  Stocks listed on the STAR Board and/or ChiNext market may be overvalued and such exceptionally high valuation may not be sustainable. Stock prices may be more susceptible to manipulation due to fewer circulating shares.

– *Differences in regulations*

  The rules and regulations regarding companies listed on ChiNext market and/or the STAR Board market are less stringent in terms of profitability and share capital than those in the main boards.

– *Delisting risk*

  It may be more common and faster for companies listed on the STAR Board and/or ChiNext to delist. This may have an adverse impact on a Fund if the companies that it invests in are delisted.

– *Concentration Risk (applicable to STAR Board)*

  The STAR Board is a newly established board and may have a limited number of listed companies during the initial stage. Investments by a Fund in the STAR Board may be concentrated in a small number of stocks and subject a Fund to higher concentration risk.

56. Taxes associated with investing in mainland China

Income and gains derived from trading China A-Shares

The Ministry of Finance of the PRC, the State of Administration of Taxation of the PRC and the CSRC jointly issued circulars in relation to the taxation rules on the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect under Circular Caishui 2014 No.81 ("Circular 81") and Circular Caishui 2016 No. 127 ("Circular 127") on 14 November 2014 and 1 December 2016 respectively. Under Circular 81 and Circular 127, corporate income tax, individual income tax and business tax will be temporarily exempted on gains derived by overseas investors on the trading of China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect with effect from 17 November 2014 and 5 December 2016 respectively. However, overseas investors are required to pay withholding income tax (WIT) on dividends and/or bonus shares at the rate of 10% which will be withheld and paid to the relevant in-charge PRC tax authorities by the listed companies. Dividends from China A-Shares are not within the charging scope of Value-Added Tax (VAT).

Interest income from bonds / debt securities issued in mainland China

On 22 November 2018, the Ministry of Finance ("MOF") and State Taxation Administration ("STA") of the PRC jointly issued circular Caishui 2018 No. 108 ("Circular 108") to address the tax issues in relation to bond interest income received by foreign institutional investors from investments in the PRC bond market. Under Circular 108, non-PRC tax residents without a permanent establishment (PE) in the PRC (or having a PE in the PRC but the income so derived in the PRC is not effectively connected with such PE), bond interest income received from 7 November 2018 to 6 November 2021 will be temporarily exempt from WIT and VAT. This is regardless of whether the non-PRC tax residents invest in the PRC bond market through QFI and/or Bond Connect. Circular 108 did not specify the WIT and VAT treatments on income received by non-PRC tax residents from investment in other fixed income securities (such as asset-backed securities, certificates of deposits, etc.).

Gains derived from trading bonds / debt securities issued in mainland China

The PRC tax authorities have verbally indicated, on numerous occasions, that capital gains realised by non-PRC tax residents from the disposal of PRC debt securities are considered non-PRC sourced income and hence not subject to PRC WIT. There is no specific written tax regulation to confirm this but, in practice, the PRC tax authorities have not actively enforced the collection of PRC WIT on gains realised by non-PRC tax residents from the disposal of PRC debt securities.

VAT treatment of gains derived from trading securities in China

Gains realised from the trading of marketable securities in the PRC are generally subject to VAT at 6%; however, various Circulars issued by the authorities provide for exemptions from VAT for non-PRC tax residents investing via QFI, the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect and/or Bond Connect.

57. The Benchmark Regulation

The London Interbank Offered Rate and other indices which are deemed "benchmarks" have been the subject of international and other regulatory guidance as well as proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any investments linked to a benchmark.

A key element of the reform of benchmarks within the EU is Regulation (EU) 2016/1011 of the European Parliament and of the Council on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds (the Benchmark Regulation).

The scope of the Benchmark Regulation is wide and, in addition to so-called "critical benchmark" indices such as the London Interbank Offered Rate, could also potentially apply to many other interest rate indices, as well as other indices (including "proprietary" indices or strategies) which are referenced in financial instruments (including Investments) and/or other financial contracts entered into by the Company, the Management Company or its delegates.

The Benchmark Regulation could have a material impact on any investment linked to a "benchmark" index, including in any of the following circumstances:

(A) an index which is a "benchmark" could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to any applicable transitional provisions) does not have equivalent regulation (including potentially due to a 'no-deal' exit of the UK from the EU). In such event, depending on the particular "benchmark" and the applicable terms of the investments, the investment could be de-listed, adjusted, redeemed or otherwise impacted; and

(B) the methodology or other terms of the "benchmark" could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level, and could lead to adjustments to the terms of the investments, including calculation agent determination of the rate or level in its discretion.

58. Hedged Share Class Risks

Share Classes, where available, may be offered in various currencies (each a "Reference Currency") at the Directors' discretion. Share Classes may be a currency denominated or currency hedged Share Class and they will be designated as such. Currency hedged Share Classes are offered in a currency other than the Fund Currency, with the exception of the BRL Hedged Share Class which is denominated in the Fund Currency. Due to currency controls in Brazil, the BRL

Hedged Share Class uses a different hedging model to the other currency hedged Share Classes. For more information about the BRL Hedged Share Class see further "Currency and Hedging policy" below.

The aim of a hedged Share Class is to provide an Investor with the performance returns of the Fund's investments by reducing the effects of exchange rate fluctuations between the Fund Currency and the Reference Currency. As a result the performance of hedged Share Classes aims to be similar to the performance of equivalent Share Classes in Fund Currency. The hedged Share Class will not remove the interest rate differences between the Fund Currency and Reference Currency as the pricing of the hedging transactions will, at least in part, reflect those interest rate differences. There is no assurance that the hedging strategies employed will be effective in fully eliminating the currency exposure to the Reference Currency thereby delivering performance differentials that are reflective only of interest rate differences adjusted for fees.

It should be noted that, where relevant, these hedging transactions may be entered into whether the Reference Currency is declining or increasing in value relative to the relevant Fund Currency and so, where such hedging is undertaken it may substantially protect Investors in the relevant Share Class against a decrease in the value of the Fund Currency relative to the Reference Currency, but it may also preclude Investors from benefiting from an increase in the value of the Fund Currency.

59. Sustainability Risks

The Investment Manager takes sustainability risks into account in the management of each Fund. A sustainability risk is an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of an investment and the returns of the Fund. An example of an environmental risk is the increased likelihood of flooding due to climate change and the associated rise in sea levels. Flooding could affect a variety of issuers such as real estate companies and insurers, and could negatively impact the value of investments in those companies. An example of a social risk is the occurrence of improper working practices such as child labour. Companies that are found to have engaged in such practices, or that have engaged with suppliers that they know to have done so, may be in breach of applicable laws and/or may be perceived negatively by the market. An example of a governance risk is the need to ensure gender diversity. If a company's reporting shows a lack of diversity, or there is media coverage of discrimination within the business on the grounds of gender, this may negatively affect market sentiment with respect to the company and impact its share price. There is also the risk that new regulations, taxes or industry standards to protect or encourage sustainable businesses and practices may be introduced – such changes may negatively impact issuers that are poorly placed to adapt to new requirements.

Some Funds have the objective of making sustainable investments and/or have environmental and/or social characteristics, which they achieve by applying sustainability criteria to the selection of investments chosen by the Investment Manager. Such criteria may vary between investment strategies. These Funds may have limited exposure to some companies, industries or sectors as a result and may forego certain investment opportunities, or dispose of certain holdings, that do not align with their sustainability criteria. As Investors may differ in their views of what constitutes sustainable investing, such a Fund may invest in companies that do not reflect the beliefs and values of particular Investors; for example, with a view to engaging with that company to improve certain aspects of its environmental, social or governance practices.

The regulatory framework applying to sustainable products and sustainable investing is rapidly evolving. As such, the sustainable investing characteristics of a particular Fund and how they are described for Investors may be subject to change over time in order to comply with new requirements or applicable regulatory guidance.

60. Distressed Securities Risk

Investment in distressed securities (i.e. securities which have a Standard & Poor's notation below CCC long-term rating or equivalent) may cause additional risks for a Fund. Such securities are regarded as predominantly speculative with respect to the issuer's capacity to pay interest and principal or maintain other terms of the offer documents over any long period of time. They are generally unsecured and may be subordinated to other outstanding securities and creditors of the issuer. Whilst such issues are likely to have some quality and protective characteristics, these are outweighed by large uncertainties or major risk exposure to adverse economic conditions. The market prices of such securities are also subject to abrupt and erratic market movements and above-average price volatility, and the spread between the bid and ask prices of such securities may be greater than normally expected. It may take a number of years for the market price of such securities to reflect their intrinsic value. Therefore, a Fund may lose its entire investment, may be required to accept cash or securities with a value less than its original investment and/or may be required to accept payment over an extended period of time. Recovery of interest and principal may involve additional cost for the Fund. Under such circumstances, the returns generated from the Fund's investments may not compensate the shareholders adequately for the risks assumed.

61. Risks linked to investment in catastrophe bonds

The Funds could invest in bonds which may lose part or all of their value in case trigger event occurs (i.e. natural disasters or financial or economic failures).

Catastrophes can be caused by various events, including, but not limited to, hurricanes, earthquakes, typhoons, hailstorms, floods, tsunamis, tornados, windstorms, extreme temperatures, aviation accidents, fires, explosions and marine accidents. The incidence and severity of such catastrophes are inherently unpredictable, and the Fund's losses from such catastrophes could be material. Any climatic or other event might result in an increase in the likelihood and/or severity of such events (for example, global warming leading to more frequent and violent hurricanes).

The loss amount is defined in the terms of the bond and may be based on losses to a company or industry, modelled losses to a notional portfolio, industry indices, readings of scientific instruments or certain other parameters associated with a catastrophe rather than actual losses. The modelling used to calculate the probability of a trigger event may not be accurate or may underestimate the likelihood of the trigger event occurring which may increase the risk of loss.

Catastrophe bonds may provide for extensions of maturity which may increase volatility and may be rated by credit ratings agencies on the basis of how likely it is that the trigger event will occur. Catastrophe bonds have typically have a below investment grade credit rating (or considered equivalent if they are unrated).

62. Risks linked to Special Purpose Acquisition Vehicles

A Fund may invest up to 5% of its net assets in special purpose acquisition vehicles. A special purpose acquisition vehicle is a publicly traded company that raises investment capital for the purpose of acquiring or merging with an existing company. Typically, the acquisition target is an existing private company that wants to trade publicly, which it accomplishes through an acquisition by, or combination with, a special purpose acquisition vehicle rather than by conducting a traditional initial public offering.

A special purpose acquisition vehicle does not have any operating history or ongoing business other than seeking to acquire an ongoing business. The identity of the acquisition target is typically not known at the time the special purpose acquisition vehicle seeks investors.

A special purpose acquisition vehicle may raise additional funds for a range of purposes, including in order to fund the acquisition, provide post acquisition working capital, redeem the publicly traded shares as requested by its existing shareholders or some combination of these purposes. This additional fundraising may be in the form of a private placement of a class of equity securities or the issuance of debt. Where in the form of equity, the equity securities sold in this kind of fundraising are generally the same class of securities that trade on the exchange on which the shares of the special purpose acquisition vehicle are listed. Where in the form of debt, the debt could be secured by the assets of the special purpose acquisition vehicle, by the operating company existing after the acquisition, or it could be unsecured. The debt may also be investment grade debt or below investment grade debt.

Special purpose acquisitions may include different risks such as dilution, liquidity, conflicts of interests or the uncertainty as to the identification, evaluation and eligibility of the acquisition target.

In addition, an investment in a special purpose acquisition vehicle prior to an acquisition is subject to the risks that the proposed acquisition or merger may not obtain the requisite approval of the special purpose acquisition vehicle shareholders, may require governmental or other approvals that it fails to obtain or that an acquisition or merger, once effected, may prove unsuccessful and lose value. Investments in special purpose acquisition vehicles are also subject to the risks that apply to investing in any initial public offering, including the risks associated with companies that have little operating history as public companies, including unseasoned trading, a limited number of shares available for trading (i.e. "free float") and limitations to the availability of information about the issuer. In addition, like initial public offer issuers, the market for newly-public may be volatile, and share prices of newly-public companies have historically fluctuated significantly over short periods of time. Any equity investments made in the special purpose acquisition vehicle in connection with a proposed business combination will be diluted by the acquisition itself and any further fundraising post acquisition by the acquired operating business.

63. Risks linked to collateralised loan obligations (CLOs)

Some Funds may invest in CLOs, which are securities backed by corporate debt. CLOs are generally issued in multiple classes, each having different maturities, interest rates and payment schedules, and with the principal and interest on the underlying assets allocated among the several classes in various ways. Payment of interest or principal on some classes may be subject to contingencies or some classes or series may bear some or all of the risk of default on the assets. In determining the average maturity or duration of a CLO, the Investment Manager must apply certain assumptions and projections about the maturity and prepayment of such security and actual prepayment rates may differ. If the life of a security is inaccurately predicted, the Fund may not be able to realise the expected rate of return. In some cases, the complexity of the payment, credit quality and other terms of such CLO may create a risk that terms of the security are not fully transparent. In addition, the complexity of CLOs may make valuation of such securities at an appropriate price more difficult, particularly where the security is customised.

Furthermore, the value of a CLO may be affected by a number of factors, including: interest rates, changes in the performance or the market's perception of the underlying assets backing the security and changes in the market's perception of the adequacy of credit support built into the security's structure to protect against losses. The secondary market for CLOs may not be as liquid as the secondary market for corporate debt. As a result, the Investment Manager could find it more difficult to sell these investments or may be able to sell them only at prices lower than if they were widely traded. It may be difficult to establish accurate prices for such investments for the purposes of calculating the Fund's Net Asset Value. Therefore, prices realised upon the sale of such investments may be lower than the prices used in calculating the Fund's Net Asset Value.

64. Global Minimum Tax

The Organisation for Economic Cooperation and Development (the "OECD") has been working to introduce a global minimum tax and many countries have agreed to introduce one. The global minimum tax is intended to ensure that very large businesses with companies based in two or more countries (that is, multinational groups with consolidated revenues over EUR 750 million) are subject to a minimum effective tax rate of 15% on their income arising in every country in which they operate. This is generally achieved where a company's tax liability in a country works out at under 15% by the tax liability being 'topped-up' to 15% for the company in that country.

The OECD's global minimum tax rules are complex and local implementation varies. The local rules normally contain various exemptions and exclusions. While there is generally an exclusion for investment funds, it only applies where the investment fund is the entity which owns the multinational group. Consequently, where a large multinational group invests in a Fund there is a risk of the global minimum tax rules applying to it with the result that in certain circumstances a tax or other related liability may arise to the Fund or another person. If the Fund suffers (or otherwise directly or indirectly bears the cost of) any such global minimum tax liability, this would affect the NAV of the Fund.

The EU has introduced its version of the global minimum tax rules in Council Directive (2022/2523). EU Member States were required to implement this Directive into national law by 31 December 2023 and Luxembourg implemented this via the law dated 22 December 2023, which applies to fiscal years starting on or after 31 December 2023. Other EU Member States have also implemented the Directive into their national laws.

Investors in the Funds should be aware that the Management Company may require information from them to enable it to consider any Fund's position with regard to any relevant

global minimum tax rules and, if necessary to engage with the Luxembourg tax authority and any other local tax authorities as necessary.

Investors which are Institutional Investors should also be aware that they will be subject to the indemnity set out in the application form if any tax and/or other related liability arises in any jurisdiction under or in connection with global minimum tax rules to a Fund as a consequence of their investment (at any time) in the Fund.

Appendix III

Fund Details

The Funds bearing an asterisk (*) next to their name are not available for subscription at the time of issue of this Prospectus. Such Funds will be launched at the Directors' discretion, at which time this Prospectus will be updated accordingly.

The Company is designed to give Investors the flexibility to choose between investment portfolios with differing investment objectives and levels of risk.

The investment objectives and policies described below are binding on the Investment Manager of each Fund, although there can be no assurance that an investment objective will be met.

(A) The specific investment objectives and policies of each of the Funds are subject to the following interpretation: each Fund will be actively managed and will invest, in accordance with its name or its investment policy either directly or (if stated) through derivatives in investments corresponding to the applicable currency, security, country, region or industry stated in the investment objective or investment policy.

When a Fund states that it invests at least two-thirds of its assets in a certain way (i) the percentage is indicative only as, for example, the Investment Manager may adjust the Fund's exposure to certain asset classes in response to adverse market and/or economic conditions and/or expected volatility, when in the Investment Manager's view to do so would be in the best interests of the Fund and its shareholders; and (ii) such assets exclude cash or other liquidities which are not used as backup for derivatives unless otherwise stated. When a Fund states that it invests up to a maximum percentage of its assets (e.g. 80%) in a certain way, such assets include cash or other liquidities which are not used as backup for derivatives.

Where a Fund states that it invests at least a specific percentage of its assets in a certain way, the reference to "assets" should be understood as a reference to the relevant Fund's net assets or Net Asset Value.

Where a Fund states that it invests at least a specific percentage of its assets (i) in sustainable investments as defined under SFDR; or (ii) to attain the environmental or social characteristics promoted by the Fund, the percentage may be breached on a temporary basis in exceptional circumstances, for example, the Investment Manager may adjust the Fund's exposure in response to adverse market and/or economic conditions and/or expected volatility, when in the Investment Manager's view to do so would be in the best interests of the Fund and its Shareholders.

The remaining one-third of the Fund's assets (excluding liquidities which are not used as backup for derivatives) may be invested in other currencies, securities, countries, regions or industries, either directly or through derivatives or as otherwise stated.

A Fund will not hold more than 5% of its assets in each of the following asset classes: distressed securities, asset backed securities / mortgage backed securities, commodities related instruments, catastrophe bonds or special purpose acquisition vehicles unless disclosed in the investment policy.

In the case of a Fund which may invest in other Investment Fund(s), the target fund(s) may have different investment strategies or restrictions to the Fund. Where a Fund states that it may invest in Investment Funds, this may include Schroder Funds.

If a description of a Fund's investment policy is related to investments in corporations of a particular country or region, such reference means (in the absence of any further specification) investments in companies incorporated, headquartered, listed or having their principal business activities in such country or region.

(B) The Investment Managers may invest directly in Russian securities that are traded on the Moscow Exchange. For details of the risk involved in dealing on these exchanges please refer to Appendix II. Additionally exposure to the Russian market may be achieved through investments in American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs).

(C) A Fund will not hold more than 5% of its assets in each of: (i) transferable securities traded on the CIBM (including via Bond Connect) or any other Chinese Regulated Market; or (ii) China A-Shares and/or China B Shares, directly or indirectly, through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext, unless disclosed in its "Investment Objective" and "Investment Policy".

(D) Each Bond Fund (including Mainstream Bond Fund and Specialist Bond Fund) and Multi-Asset Fund, unless otherwise specified in Appendix III, may invest up to 5% in contingent convertible bonds. For full details of the risks applicable to investing in these Funds, please refer to Appendix II, "Risks of Investment".

(E) Expected level of leverage

Funds quantifying global exposure using a Value-at-Risk (VaR) approach disclose their expected level of leverage.

The expected level of leverage is an indicator and not a regulatory limit. The Fund's levels of leverage may be higher than this expected level as long as the Fund remains in line with its risk profile and complies with its VaR limit.

The annual report will provide the actual level of leverage over the past period and additional explanations on this figure.

The level of leverage is a measure of (i) the derivative usage and (ii) the reinvestment of collateral in relation to efficient portfolio management transactions. It does not take into account other physical assets directly held in the portfolio of the relevant Funds. It also does not represent the level of potential capital losses that a Fund may incur.

The level of leverage is calculated as (i) the sum of notionals of all derivatives contracts entered into by the Fund expressed as a percentage of the Fund's Net Asset

Value and (ii) any additional leverage generated by the reinvestment of collateral in relation to efficient portfolio management transactions.

This methodology does not:

- make a distinction between derivatives that are used for investment or hedging purposes. As a result strategies that aim to reduce risk will contribute to an increased level of leverage for the Fund.
- allow the netting of derivatives. As a result, derivative roll-overs and strategies relying on a combination of long and short positions may contribute to a large increase in the level of leverage when they do not increase, or only cause a moderate increase in the overall Fund risk.
- take into account the derivative underlying assets' volatility or make a distinction between short-dated & long-dated assets. As a result, a Fund that exhibits a high level of leverage is not necessarily riskier than a Fund that exhibits a low level of leverage.

(F) Any exposure to commodities including precious metals for a Fund may indirectly be obtained through related (i) transferable securities, (ii) units of closed-ended investment funds, (iii) financial instruments linked or backed to the performance of this asset class, (iv) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008 and/or (v) Financial Indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592 and (vi) derivatives on eligible assets as described under (i) – (v).

(G) Derivatives should be dealt in on a Regulated Market or OTC.

Transferable securities, Money Market Investments, units of closed-ended investment companies, financial instruments linked or backed to the performance of other assets should be dealt in on a Regulated Market. If not, they will be restricted to 10% of the Net Asset Value of any Fund together with any other investments made in accordance with investment restriction 1. A(7) in Appendix I.

(H) Use of derivatives

The use of derivatives for investment purposes may increase the Share price volatility, which may result in higher losses for the Investor. For full details of the risks applicable to investing in these Funds, please refer to Appendix II, "Risks of Investment".

Equity Funds (Mainstream Equity Funds, Specialist Equity Funds, Alpha Equity Funds, Quantitative Equity Funds)

Each Equity Fund may employ derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently in accordance with its investment policy and risk profile as disclosed below. Derivatives can be used for instance to create market exposures through equity, currency, volatility or index related derivatives and include over-the-counter and/or exchange traded options, futures, contracts for difference, warrants, swaps, forward contracts and/or a combination of the above.

Asset Allocation Funds

Each Asset Allocation Fund may employ derivatives for hedging and investment purposes in accordance with its risk profile as disclosed below. Derivatives may be employed for instance to generate additional exposure through long or covered short positions to asset classes such as, but not limited to, equity, fixed income, credit, currencies as well as property and commodity indices. They can be used to generate additional income through inflation or volatility linked derivatives. Derivatives could also be employed to create synthetic instruments. Such derivatives include over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts and/or a combination of the above.

Multi-Asset Funds

Each Multi-Asset Fund may employ derivatives for hedging and investment purposes. These derivatives may be used to gain exposure to a wide range of asset classes including, but not limited to, currencies, real estate, infrastructure and commodities. Such derivatives include, but are not limited to, over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts and/or a combination of the above.

Multi-Manager Funds

Each Multi-Manager Fund may employ derivatives to gain exposure to a wide range of asset classes including Alternative Asset Classes.

Absolute Return Funds and Bond Funds (Mainstream Bond Funds and Specialist Bond Funds)

Each Absolute Return Fund and Bond Fund may employ derivatives for hedging and investment purposes in accordance with its risk profile as disclosed below. Derivatives may be employed for instance to generate additional income from exposure to credit risk in purchasing or selling protection through credit default swaps, adjusting the Fund's duration through the tactical use of interest related derivatives, generating additional income through inflation or volatility linked derivatives or increasing its currency exposure through the use of currency related derivatives. Derivatives could also be employed to create synthetic instruments. Such derivatives include over-the-counter and/or exchange traded options, futures, warrants, swaps, forward contracts and/or a combination of the above.

Money Market Funds

Money Market Funds may use derivatives for hedging currency and interest rate risk only.

(I) When the investment policy of a Fund refers to "Alternative Asset Classes", it may include the following: real estate, infrastructure, private equity, commodities, precious metals and Alternative Investment Funds.

Real estate, infrastructure, private equity

The investment in such asset classes will mainly be obtained indirectly through related (i) transferable securities and Money Market Investments, (ii) units of closed-ended investment funds and (iii) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008. The investment in real estate may be obtained through REITs.

Commodities including precious metals

The investment in such asset classes will mainly be obtained indirectly through related (i) transferable securities and Money Market Investments, (ii) units of closed-ended investment funds, (iii) financial instruments linked or backed to the performance of this asset class, (iv) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008 and (v) Financial Indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592 and (vi) derivatives on eligible assets as described under (i) – (v).

Alternative Investment Funds

Alternative Investment Funds refer to the "hedge funds" strategies such as long/short, event driven, tactical trading and relative value strategies. The exposure will mainly be obtained indirectly through related (i) units of closed-ended investment funds, (ii) financial instruments linked or backed to the performance of these strategies, (iii) UCITS or other UCIs in accordance with the Grand Ducal Regulation of 8 February 2008 and (iv) Financial Indices compliant with article 9 of the Grand Ducal Regulation of 8 February 2008 and CSSF Circular 14/592.

Transferable securities (including units of closed-ended investment funds, financial instruments linked or backed to the performance of other assets) and, Money Market Investments should be dealt on a Regulated Market. If not, they will be restricted to 10% of the Net Asset Value of any Fund together with any other investments made in accordance with investment restriction 1. A(9) in Appendix I.

Where a transferable security embeds a derivative, the rules detailed in section "3. Derivatives" of Appendix I, apply.

Benchmarks of the Funds

Where a Fund's details include a benchmark, this has been chosen for the following reasons:

- for a comparator benchmark, the benchmark has been selected because it is suitable comparison for performance purposes;
- for a target benchmark that is a financial index, the benchmark has been selected because it is representative of the types of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide;
- for a target benchmark that is not a financial index, the benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective. The Fund may also show a comparator benchmark where the Investment Manager believes that this is a suitable comparison for performance purposes;
- for a constraining benchmark, the benchmark has been selected because the Investment Manager is constrained by reference to the value, price or components of that benchmark as stated in the investment objective and policy.

Where a Fund's investment objective refers to meeting or exceeding a target benchmark before or after fees have been deducted over a stated period, this is the period over which an investor should assess a Fund's performance. A Fund may not only be suitable for investors whose investment horizons are the same as the stated period.

In relation to currency hedged Share Classes, currency hedged versions of the benchmarks (including currency equivalent cash benchmarks) may be used.

Sustainability scores

Where a Fund's investment policy states that the Fund will achieve a certain sustainability score (whether overall, or in relation to a particular measure such as carbon intensity) compared to a named benchmark, this does not mean that the Fund is constrained by, or seeks to achieve a financial return relative to that benchmark unless otherwise stated. For any Fund that has the objective of sustainable investment or has environmental or social characteristics, details of how the Fund attains that objective or those characteristics are disclosed in the Fund's investment policy and in Appendix IV.

Any sustainability score or other threshold specified, will be measured over a period that the Investment Manager deems appropriate to that measure. For example, where a Fund's investment policy states that the Fund will maintain a higher overall sustainability score than a named benchmark, this means that the Fund's weighted average score using one of the Investment Manager's proprietary sustainability tools over the previous six month period will be higher than the benchmark's score over the same period, based on month-end data. Where a Fund's investment policy states that the Fund will maintain a positive absolute sustainability score, this means that the Fund's weighted average score using one of the Investment Manager's proprietary sustainability tools over the previous six month period will be higher than zero over the same period, based on month-end data.

Schroders' proprietary sustainability tools generate scores by using certain metrics and how scores are generated may change over time. Schroders' proprietary sustainability tools may utilise third party data (including third party estimates) as well as our own modelling assumptions, and the outcome may differ from other sustainability tools and measures. Schroders cannot confirm the accuracy, completeness and adequacy of such third party data and estimates. Generating scores involves an element of judgment and subjectivity across the different metrics chosen by Schroders, and, as Schroders' proprietary sustainability tools evolve, changes made to how metrics are applied may result in changes to the score of any issuer and ultimately the overall fund/ portfolio score. At the same time, of course, the issuer's performance might improve or deteriorate. An issuer will be scored across applicable metrics and may score higher or lower on some metrics than on others. The scores are combined to provide an overall net score for the issuer.

Schroders' proprietary sustainability tools may not cover all of the Fund's holdings from time to time, in which case Schroders may use a range of alternative methods to assess the relevant holding. In addition, certain types of assets (such as cash) are treated as neutral and are therefore not considered by our proprietary tools. Other types of assets such as equity indices and index derivatives may not be considered by our proprietary tools and if so would be excluded from the Fund's sustainability score. This would mean that the environmental and/or social characteristics or

sustainable investment objective of the Fund (as applicable) would not apply to positions held by the Fund in such assets.

Share Classes

Each Fund may contain any share classes listed within this section. Certain Share Classes may charge a performance fee as indicated in each Fund's details section.

The Directors may decide to create within each Fund different Share Classes whose assets will be commonly invested pursuant to the specific investment policy of the relevant Fund, but where a specific fee structure, currency of denomination or other specific feature may apply to each Share Class. A separate Net Asset Value per Share, which may differ as a consequence of these variable factors, will be calculated for each Share Class.

Please note that not all Distributors offer all Share Classes.

Shares are generally issued as Accumulation Shares. Distribution Shares will only be issued within any Fund at the Directors' discretion. Investors may enquire at the Management Company or their Distributor whether any Distribution Shares are available within each Share Class and Fund. Distribution Share classes may be issued with different distribution frequencies or attributes within the same fund, designated as follows:

Distribution frequency: **M** = monthly, **Q** = quarterly, **S** = semi-annual, **A** = annual

Distribution type: **F** = fixed, T = Variable T [1] or **V** = variable

Currency carry [2]: **C**

Fixed Distribution Rates: A numerical suffix will differentiate fixed distribution rates (e.g. 2, 3). The actual fixed percentage or amount will not be displayed in the Share Class name.

Variable T Distribution Rates: A numerical suffix will differentiate the relatively stable distribution rates (e.g. 2, 3). The actual percentage or amount will not be displayed in the Share Class name.

Subject to the Management Company's discretion, the particular features of each Share Class are as follows:

1. General Share Classes

A and B Shares

A and B Shares will be available to all Investors. A and B Shares fees for each Fund are separately disclosed in the Fund details.

AX and A1 Shares

AX and A1 Shares will only be available to Investors who at the time the relevant subscription order is received are customers of certain Distributors appointed specifically for the purpose of distributing the AX and A1 Shares and only in respect of those Funds for which distribution arrangements have been made with such Distributors. AX and A1 Shares fees for each Fund are separately disclosed in the Fund details.

C, CB, CN and CX Shares

C, CB, CN and CX Shares are available to Institutional Investors. C, CB, CN and CX Shares are also available to mutual funds and such distributors which according to regulatory requirements, or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.

CX Shares will have different characteristics from C Shares such as different distribution policy.

C, CN and CX Shares fees for each Fund are separately disclosed in the Fund details. CB Shares will have the same Annual Distribution Charge, initial charge and Annual Management Charge as C Shares.

CI Shares

CI Shares are available to Institutional Investors.

The Company will not issue, or effect any switching of CI Shares to any Investor who may not be considered an Institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for CI Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an Institutional Investor. If it appears at any time that a holder of CI Shares is not an Institutional Investor, the Directors will, at their discretion, convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the fees and expenses payable by such Share Class) or redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

CI Shares fees for each Fund are separately disclosed in the Fund details.

D Shares

D Shares will only be available to Investors who at the time the relevant subscription order is received are customers of certain Distributors appointed specifically for the purpose of distributing the D Shares and only in respect of those Funds for which distribution arrangements have been made with such Distributors.

No initial charge will be payable by an Investor on the acquisition of D Shares of any Fund. However some charges, for example redemption or administration charges may be deducted by the Distributor from the redemption proceeds as agreed separately between the Shareholders and the Distributor. Shareholders should check with the respective Distributors for details of the arrangement.

Investors in D Shares will not be permitted to switch the holding of such Shares into other Share Classes, nor will they be permitted to transfer such Shares from one Distributor to another.

D Shares fees for each Fund are separately disclosed in the Fund details.

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[1] This refers to share classes that seek to deliver a relatively stable distribution rate as further described under section "Dividends". The Directors will periodically review these Distribution Share Classes and reserve the right to make changes.

[2] This refers to the premium or discount that may apply to the distribution. Distributions may include a premium when the interest rate of a currency hedged share class is higher than the fund's base currency interest rate. Consequently when the interest rate of a currency hedged share class is lower than the fund's base currency interest rate, the dividend may be discounted. The level of premium or discount is determined by differences in interest rates and is not part of the fund's investment objective or investment policy.

E Shares

E Shares are available to Institutional Investors as well as mutual funds and such distributors which according to regulatory requirements, or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.

The E Shares will only be available until the total Net Asset Value of all available Share Classes within a Fund reaches or is greater than EUR 100,000,000 or USD 100,000,000 or an equivalent amount in another currency, or any other amount as specifically determined by the Management Company.

Once the total Net Asset Value of the Share Classes available in a Fund, ordinarily, reaches or is greater than EUR 100,000,000 or USD 100,000,000 or an equivalent amount in another currency or any other amount as specifically determined by the Management Company, the E Share Classes in that Fund will be closed to Investors for subscriptions. The Management Company may re-open the E Share Classes at its discretion without notice to Shareholders.

E Shares fees for each Fund are separately disclosed in the Fund details.

IZ, IA, IB, IC, ID Shares

IZ, IA, IB, IC, ID Shares will only be available in certain limited circumstances to certain investors who:

(A) have the agreement of the Management Company;

(B) have a significant investment in the relevant Fund as determined by the Management Company, and

(C) are Institutional Investors.

When an Investors' assets in IZ, IA, IB, IC, ID Shares fall significantly the Management Company may then reject additional subscriptions into the relevant Share Class. The level of significance will be determined by the Management Company.

No Annual Distribution Charge will be payable by an Investor on the acquisition of IZ, IA, IB, IC, ID Shares of any Fund.

The Company will not issue, or effect any switching of, IZ, IA, IB, IC, ID Shares to any Investor who may not be considered an Institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for IZ, IA, IB, IC, ID Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an Institutional Investor. If it appears at any time that a holder of IZ, IA, IB, IC, ID Shares is not an Institutional Investor, the Directors will, at their discretion, convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the fees and expenses payable by such Share Class) or redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

IZ, IA, IB, IC, ID Shares fees for each Fund are separately disclosed in the Fund details.

IE Shares

IE Shares will only be offered to Investors who are Institutional Investors.

The Company will not issue, or effect any switching of, IE Shares to any Investor who may not be considered an Institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for IE Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an Institutional Investor. If it appears at any time that a holder of IE Shares is not an Institutional Investor, the Directors will, at their discretion, convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the fees and expenses payable by such Share Class) or redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of IE Shares of any Fund.

IE Shares will only be available until the total Net Asset Value of all available Share Classes within a Fund reaches or is greater than EUR 100,000,000 or USD 100,000,000 or an equivalent amount in another currency, or any other amount as specifically determined by the Management Company.

Once the total Net Asset Value of the Share Classes available in a Fund, ordinarily, reaches or is greater than EUR 100,000,000 or USD 100,000,000 or an equivalent amount in another currency or any other amount as specifically determined by the Management Company, the IE Share Classes in that Fund will be closed to Investors for subscriptions. The Management Company may re-open the IE Share Classes at its discretion without notice to Shareholders.

P and PI Shares

P Shares will charge performance fees and will be available to all Investors.

PI Shares will charge performance fees and will only be available, with prior agreement of the Management Company, to Institutional Investors.

The Company will not issue, or effect any switching of, PI Shares to any Investor who may not be considered an Institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for PI Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an Institutional Investor. If it appears at any time that a holder of PI Shares is not an Institutional Investor, the Directors will, at their discretion, convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the fees and expenses payable by such Share Class) or redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

P and PI Shares fees for each Fund are separately disclosed in the Fund details.

Z Shares

With the prior agreement of the Management Company Z shares may be offered in certain limited circumstances (i) for distribution in certain countries and through certain Distributors who have separate fee arrangements with their clients and/or (ii) to professional investors.

Z Shares fees for each Fund are separately disclosed in the Fund details.

2. Bespoke Share Classes

F Shares

F Shares will only be available to Investors who at the time the relevant subscription order is received are Singapore Investors utilizing the Central Provident Fund ("CPF") to subscribe into the Company. This Share Class may also be available to Singaporean funds of funds and investment-linked insurance product sub-funds which are included under Singapore's CPF investment scheme.

Administrative charges may be deducted by the relevant CPF administrators. Shareholders should check with their CPF administrators for details of the arrangement.

Investors in F Shares will not be permitted to switch the holding of such Shares into other Share Classes, nor will they be permitted to switch into Shares of other Funds.

No Annual Distribution Charge will be payable by an Investor on the acquisition of F Shares of any Fund.

The Annual Management Charge for F Shares will be up to 1.5% per annum.

F Shares are only available for subscription in SGD.

I Shares

I Shares will only be offered to Investors:

(A) who, at the time the relevant subscription order is received, are clients of Schroders with an agreement covering the charging structure relevant to the clients' investments in such Shares, and

(B) who are Institutional Investors.

The Company will not issue, or effect any switching of, I Shares to any Investor who may not be considered an Institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for I Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an Institutional Investor. If it appears at any time that a holder of I Shares is not an Institutional Investor, the Directors will, at their discretion, convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the fees and expenses payable by such Share Class) or redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

As I Shares are, inter alia, designed to accommodate an alternative charging structure whereby the Investor is a client of Schroders and is charged Annual Management Charges directly by Schroders, no Annual Management Charges will be payable in respect of I Shares out of the net assets of the relevant Fund. I Shares will bear their pro-rata share of the fees payable to the Depositary and the Management Company, as well as of other charges and expenses.

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of I Shares of any Fund.

J Shares

J Shares will only be offered to, and can only be acquired by Japanese Fund of Funds, which are Institutional Investors. "Japanese Fund of Funds" means an investment trust or investment corporation that is established under the Law Concerning Investment Trusts and Investment Corporations (Law No. 198 of 1951, as amended) of Japan (an "investment trust") the purpose of which is to invest its assets only in beneficial interests in other investment trusts or shares of investment corporations or collective investment schemes similar thereto established under the laws of any country other than Japan.

The Company will not issue any J Shares to any Investor who is not a Japanese Fund of Funds or permit any J Share to be switched to share(s) of any other Share Class of the Company. The Directors may, at their discretion, refuse to accept any application for subscription for J Shares until and unless the Transfer Agent notifies the Directors that it is satisfied that the applicant for subscription is a Japanese Fund of Funds.

As J Shares are, inter alia, designed to accommodate an alternative charging structure whereby the Investor is a client of Schroders and is charged Annual Management Charges directly by Schroders, no Annual Management Charges will be payable in respect of J Shares out of the net assets of the relevant Fund. J Shares will bear their pro-rata share of the fees payable to the Depositary and the Management Company, as well as of other charges and expenses.

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of J Shares of any Fund.

K1 Shares

Will only be available in certain limited circumstances to certain distributors who:

(A) have entered into an agreement with the Management Company relevant to such Shares;

(B) have a significant investment in the relevant Fund as determined by the Management Company; and

(C) who according to regulatory requirements, or based on individual fee arrangements with their clients, are not allowed to accept and keep trail commissions.

When an Investor's assets in K1 Shares fall significantly the Management Company may then reject additional subscriptions into the relevant Share Class. The level of significance will be determined by the Management Company. No Annual Distribution Charge will be payable by an investor on the acquisition of K1 Shares of any Fund. K1 Shares may charge an Annual Management Charge up to 1.5% per annum and an initial charge up to 1%.

K2 Shares

Will only be available in certain limited circumstances to certain investors and distributors who

(A) have the agreement of the Management Company;

(B) have a significant investment in the relevant fund as determined by the Management Company; and

(C) who are Institutional Investors.

When an Investor's assets in K2 Shares fall significantly the Management Company may then reject additional subscriptions into the relevant Share Class. The level of significance will be determined by the Management Company. No Annual Distribution Charge will be payable by an investor on the acquisition of K2 Shares of any Fund. K2 Shares may charge an Annual Management Charge up to 1.5% per annum and an initial charge up to 1%.

R Shares

R Shares do not qualify as Reporting Funds for taxation purposes under the UK offshore fund rules (see Section 3.4). R Shares are only available at the Management Company's discretion to Investors who have been issued Shares pursuant to a merger or similar activity with another fund whereby the Investor's holding in such fund did not qualify as a Reporting Fund for the purposes of the UK offshore fund rules. R Shares may only be issued by the Management Company in these circumstances as part of the merger or similar activity. Holders of R Shares are not permitted to top up their investment in R Shares and are not permitted to switch their R Shares into other Share Classes. R Shares are not available to Investors (new and existing) in any other circumstance than those described above.

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of R Shares of any Fund. The Annual Management Charge for R Shares will be up to 1.5% per annum.

S Shares

S Shares are only available at the Management Company's discretion to certain clients of the Schroder Group's wealth management business, to staff and other connected parties of the Investment Manager, and staff of the Management Company and its affiliates. Before the Management Company can accept a subscription into S Shares by a client of the Schroder Group's wealth management business, a legal agreement must be in place between that client and the Schroder Group's wealth management business containing terms specific to investment in S Shares.

In the event that a Shareholder of Class S Shares that is a client of the Schroder Group's wealth management business ceases to be a client of the Schroder Group's wealth management business, the Shareholder will cease to be eligible to hold Class S Shares and the Management Company will compulsorily switch the Shareholder into the most appropriate Share Class of the same Fund. This means that the switch of Class S Shares will be automatic without the need for Shareholders to submit a switching request to the Transfer Agent. Therefore, by subscribing for Class S Shares, Shareholders irrevocably permit the Management Company to switch Class S Shares on their behalf should they cease to be a client of the Schroder Group's wealth management business.

There is no minimum initial subscription, additional subscription or holding amount. No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of S Shares of any Fund. The Annual Management Charge for S Shares will be up to 1.5% per annum.

Applications for subscriptions into Class S Shares will be accepted at the Management Company's discretion.

IS Shares

IS Shares will only be offered to Investors who are Institutional Investors.

IS Shares are only available at the Management Company's discretion to certain institutional clients of the Schroder Group's wealth management business and other connected parties of the Investment Manager and its affiliates. Before the Management Company can accept a subscription into IS Shares by a client of the Schroder Group's wealth management business, a legal agreement must be in place between that client and the Schroder Group's wealth management business containing terms specific to investment in IS Shares.

In the event that a Shareholder of Class IS Shares that is a client of the Schroder Group's wealth management business ceases to be a client of the Schroder Group's wealth management business, the Shareholder will cease to be eligible to hold Class IS Shares and the Management Company will compulsorily switch the Shareholder into the most appropriate Share Class of the same Fund. This means that the switch of Class IS Shares will be automatic without the need for Shareholders to submit a switching request to the Transfer.

The Company will not issue, or effect any switching of, IS Shares to any Investor who may not be considered an Institutional Investor. The Directors may, at their discretion, delay the acceptance of any subscription for IS Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the qualification of the relevant Investor as an Institutional Investor. If it appears at any time that a holder of IS Shares is not an Institutional Investor, the Directors will, at their discretion, convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the fees and expenses payable by such Share Class) or redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of IS Shares of any Fund.

Applications for subscriptions into Class IS Shares will be accepted at the Management Company's discretion.

U Shares

U Shares will only be available, with the prior agreement of the Management Company, through certain Distributors. U Shares will only be available for distribution in non-EEA countries.

No initial charge will be payable by an Investor on the acquisition of U Shares of any Fund. Instead a contingent deferred sales charge ("CDSC") may be payable to the Management Company or such other party as the Management Company may from time to time appoint. Where U Shares are redeemed within 3 years of the date of their issue, the redemption proceeds will be subject to a CDSC at the rates set out in the table below:

Redemption during years since issue	Applicable Rate of CDSC
1st Year	Up to 3%
2nd Year	Up to 2%
3rd Year	Up to 1%

The applicable rate of CDSC is determined by reference to the total length of time during which the Shares being redeemed (including the U Shares from which they were derived (if any) as a result of a switch from another Fund) were in issue. In case a Shareholder holds U shares which have been subscribed and issued at different periods of time, the applicable rate of CDSC will depend on which shares are to be redeemed according to the Shareholder's instructions. Dividends paid on U distribution Share Classes cannot be automatically reinvested and will be paid in cash.

The amount of CDSC is calculated by multiplying the relevant percentage rate as determined above by the lower of a) the Net Asset Value per Share of the Shares being redeemed on the relevant Dealing Day or b) the cost paid for the original issue of Shares being redeemed or for the U Shares of another Fund from which those Shares were switched, in either case calculated in the relevant dealing currency of the Shares being redeemed.

Investors in U Shares will not be permitted to switch the holding of such Shares into other Share Classes, nor will they be permitted to transfer such Shares from one Distributor to another. However, holdings in U Shares will be converted automatically into A Shares or AX Shares (as appropriate) of the same Fund free of charge on the scheduled conversion date (to be fixed by the Management Company) of each month in which the third anniversary of issue of such Shares occurs on the basis of the respective Net Asset Value per Share of the relevant U Shares and A Shares or AX Shares (as applicable). This conversion may give rise to a tax liability for Investors in certain jurisdictions. Investors should consult their tax adviser about their own position. Investors in other Share Classes will not be permitted to switch the holding of such Shares into U Shares.

In all instances of switching that involve U Shares into another U Share Class, the age of the old U Shares will carry over and continue in the new U Shares. No CDSC or switching charge is payable at the time of a switch of U Shares to U Shares in another Fund.

All Fund charges will be the same as those of the A Share, with the exception that the U Shares will not be subject to an initial charge, but will be subject to the CDSC (if applicable) and an Annual Distribution Charge of 1%, calculated and accrued daily by reference to the Net Asset Value per Share of such Shares and paid monthly to the Management Company or such other party as the Management Company may appoint from time to time.

V, V1, V2, V3, V4, V5, V6, V7, V8, V9 Shares

V Shares will only be available, with the prior agreement of the Management Company, through certain Distributors. V Shares will only be available for distribution in non-EEA countries.

No initial charge will be payable by an Investor on the acquisition of V Shares of any Fund. Instead, a contingent deferred sales charge ("CDSC") may be payable to the Management Company or such other party as the Management Company may from time to time appoint. V Shares will be available for subscription during an offer period, which may be adjusted at the Management Company's discretion. At the end of such offer period V Shares will no longer be available for subscription. Where V Shares are redeemed within 3 years of the end-date of the offer period, the redemption proceeds will be subject to a CDSC at the rates set out in the table below:

Redemption during years since end of offer period	Applicable Rate of CDSC
1st Year	Up to 3%
2nd Year	Up to 2%
3rd Year	Up to 1%

For V Shares that are redeemed within the offer period, the applicable CDSC rate will be up to 3%.

The applicable rate of CDSC is determined by reference to the total length of time during which the V Shares being redeemed were held from the end of the offer period. Dividends payable on V distribution Share Classes cannot be automatically reinvested and will be paid in cash.

The amount of CDSC is calculated by multiplying the relevant percentage rate as determined above by the prevailing Net Asset Value per Share of the V Shares being redeemed on the relevant Dealing Day calculated in the relevant dealing currency of the V Shares being redeemed.

Investors in V Shares will not be permitted to switch the holding of such Shares into other Share Classes, nor will they be permitted to transfer such Shares from one Distributor to another. However, holdings in V Shares will be converted automatically into A Shares or AX Shares (as appropriate) of the same Fund free of charge on the scheduled conversion date (to be fixed by the Management Company) at the end of the third year from the end-date of the offer period , on the basis of the respective Net Asset Value per Share of the relevant V Shares and A Shares or AX Shares (as applicable). This conversion may give rise to a tax liability for Investors in certain jurisdictions. Investors should consult their tax adviser about their own position. Investors in other Share Classes will not be permitted to switch the holding of such Shares into V Shares.

Only switches of V Shares into the same type of V Share Class within the same Fund are allowed. In all instances of switching that involve V Shares within the same Fund, the age of the old V Shares will carry over and continue in the new V Shares. No CDSC or switching charge is payable for switches involving the same type of V Shares within the same Fund.

All Fund charges will be the same as those of the A Shares, with the exception that the V Shares will not be subject to an initial charge, but will be subject to the CDSC (if applicable).

X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares

X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares will only be available, with prior agreement of the Management Company, to Institutional Investors.

The Company will not issue, or effect any switching of, X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares to any Investor who may not be considered an Institutional Investor. The Directors of the Company may, at their discretion, delay the acceptance of any subscription for X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares restricted to Institutional Investors until such date as the Transfer Agent has received sufficient evidence on the

qualification of the relevant Investor as an Institutional Investor. If it appears at any time that a holder of X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares is not an Institutional Investor, the Directors will, at their discretion, convert their Shares into a Share Class within the relevant Fund which is not restricted to Institutional Investors (provided that there exists such a Share Class with similar characteristics in terms of underlying investment, but not necessarily in terms of the fees and expenses payable by such Share Class) or redeem the relevant Shares in accordance with the provisions under "Redemption and Switching of Shares".

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of X, X1, X2, X3, X4, X5, X6, X7, X8, X9 Shares of any Fund. The Annual Management Charge for X, X1, X2 Shares will be up to 1%, up to 1.3% and up to 1.4%, respectively, per annum. The Annual Management Charge for X3, X4, X5, X6, X7, X8, X9 shares will be up to 1.5% per annum.

Y, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9 Shares

Y, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9 Shares are only available at the Management Company's discretion to certain clients of Schroders. Before the Management Company can accept a subscription into Y Shares, a legal agreement must be in place between the Investor and Schroders containing terms specific to investment in Y, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9 Shares.

No initial charge or Annual Distribution Charge will be payable by an Investor on the acquisition of Y, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9 Shares of any Fund. The Annual Management Charge for Y, Y1, Y2, Y3, Y4, Y5, Y6, Y7, Y8, Y9 Shares will be up to the equivalent A share Annual Management Charge of the relevant fund.

Applications for subscriptions into Y Shares will be accepted at the Management Company's discretion.

Carbon Offset Share Classes

Certain Share Classes, as defined under the section “Share Classes”, where available, may be offered as Carbon Offset Share Classes at the Directors' discretion. Such Share Classes may be currency denominated or currency hedged and, if so, they will be designated as such.

The aim of a Carbon Offset Share Class is to provide an Investor in that share class with an opportunity to reduce the carbon exposure of their investment, by assigning carbon offsets to that share class based on the carbon emissions generated by companies in the portfolio. A carbon offset is a reduction or removal of greenhouse gas emissions in order to compensate for emissions that have occurred elsewhere. Greenhouse gases are comprised primarily of carbon dioxide plus certain other gases and as such carbon offsets are measured in tonnes of carbon dioxide-equivalent (“CO2e”).

A Carbon Offset Share Class aims to offset the CO2e emissions (referred to herein as ‘carbon exposure’) of the Fund linked to the assets underlying the portfolio of the Fund pro rata to the Net Asset Value of the Carbon Offset Share Class alone.

Offset Fee

Further to the usual fees payable on a Share Class (including the relevant Annual Management Charge), the fees for a Carbon Offset Share Class will comprise an additional amount (the “Offset Fee”) which will go towards the purchase or allocation of carbon offsets. An Investor in a Carbon Offset Share Class will pay an Offset Fee proportionate to their share of the Fund’s carbon exposure.

The carbon exposure of a Fund will fluctuate daily depending on the assets held in the Fund and the carbon exposure attributable to such assets. Therefore, the process for determining the Offset Fee for a Carbon Offset Share Class of a Fund will be as follows:

- on a quarterly basis, or, where there is a material movement in the price required to offset the carbon, on a monthly basis, Schroder Investment Management Limited will calculate the carbon exposure of the Fund and the carbon exposure attributable to the Carbon Offset Share Class (as described below);
- Schroder Investment Management Limited will assess the purchase or allocation price of the carbon offsets to determine the amount required to offset the carbon exposure of the Carbon Offset Share Class; and
- This price will be the Offset Fee applicable on the relevant Carbon Offset Share Class until the next calculation.

The Offset Fee will therefore be reviewed at a minimum every quarter (but no more frequently than monthly) with the aim of tracking, on a best efforts basis, the fluctuating carbon exposure of the Fund and the amount required to offset the carbon exposure, but Investors should note that a perfect match is unlikely and cannot be guaranteed. The Offset Fee for each Carbon Offset Share Class will be disclosed on the webpage at https://www.schroders.com/en-lu/lu/individual/fund-centre

The Offset Fees will be accrued on each Dealing Day based on the Net Asset Value of the relevant Carbon Offset Share Class. This seeks to ensure that the accrued amount of the Offset Fee is automatically adjusted to reflect the performance of the Fund and subscriptions, switches or redemptions made by Investors. The amount accrued will be transferred to the Management Company on a monthly basis which will in turn transfer such amount to Schroder Investment Management Limited to effect the carbon offsets (as described below).

The amount accrued to offset the carbon exposure of the Carbon Offset Share Class will be used solely for the allocation or purchase of carbon offsets. The Management Company will not charge a fee in addition to the Offset Fee for the provision of this service. In the event the amount of Offset Fee accrued is greater than the amount required to offset the Carbon Offset Share Class’s actual carbon exposure, additional carbon offsets will be allocated or purchased.

Calculation of the carbon exposure of a Fund

Schroder Investment Management Limited will calculate the carbon exposure of a Fund by dividing the market value of the Fund’s holding in each company by the total enterprise value of that company, representing the proportion of the company held by the Fund. That proportion will be multiplied by the company’s total scope 1 and 2 emissions, to estimate the share of emissions attributable to the Fund. Scope 1 emissions occur from fuel combustion from companies’ operations and scope 2 emissions stem from the electricity, steam, heat or cooling companies purchase.

Scope 3 emissions concern indirect emissions that occur in a company’s value chain, such as those emitted due to the use of a company’s products sold. Currently the available

data related to scope 3 emissions is incomplete meaning such emissions are difficult to assess. Furthermore, incorporating scope 3 emissions introduces the likelihood that emissions will be overstated; one company's scope 3 emissions are often another's scope 1 or 2 emissions. **Scope 3 emissions are therefore not taken into account in the calculation of the carbon exposure of a Fund.**

The carbon exposure calculation follows a recognised methodology for calculating financed emissions. The financed emissions metric measures the absolute greenhouse gas emissions (CO2e number) attributable to a Fund's portfolio.

Scope 1 and scope 2 emissions data will be sourced from a recognised data provider which will provide estimates in some cases. Emissions data will be sourced from robust and widely accepted sources (such as MSCI).

If data for a company is not available, Schroder Investment Management Limited will use the average of the Fund's emissions for that issuer, i.e. the average emissions of the investments for which data is available. Holdings in cash or non-corporate securities (including but not limited to securities issued by governments, government agencies and supra-nationals) will be excluded from the calculation and treated as having no attributable emissions.

The combined attributable emissions for all companies in the portfolio of a Fund will constitute the total emissions for the Fund. This total will represent the Fund's emissions per million USD invested. That number is then multiplied by the Net Asset Value of the Carbon Offset Share Class (if not dominated in USD then converted to USD) to calculate the total emissions (in tonnes of CO2e) attributable to the Carbon Offset Share Class that will be offset.

Numerical Calculation example*

Holdings	Share of company owned % (notional value / enterprise value)	Scope 1+2 Emissions (tons CO2e)	Share of scope 1+2 emissions owned (tons of CO2e)
Holding 1	0.2000%	1,000	2.00
Holding 2	0.0950%	3,000	2.85
Holding 3	0.4500%	6,000	27.00

Nominal Investment	1 $mn
Total Carbon Emissions to be offset	31.85 tons CO2e
Unit price of VER (USD per ton of CO2e)	20 $/tons CO2e
Cost to offset emissions	0.0006 $mn
Cost as % of investment	0.1%
Basis points	6.4

* all factors in this calculation may vary over time.

Carbon offsets

The accrued amount of Offset Fees will be used by Schroder Investment Management Limited to purchase or allocate (by way of an allocation of existing carbon offsets purchased by and held in Schroder Investment Management Limited's name) carbon offsets on a periodic basis in order to offset the carbon exposure of the Fund, specifically to offset scope 1 and scope 2 emissions attributable to the Carbon Offset Share Class, as mentioned above.

Schroder Investment Management Limited will purchase carbon offsets via an intermediary provider (such as Climate Impact Partners). Carbon offsets purchased are Verified Emission Reductions ("VERs") (or potentially some Certified Emission Reductions (CERs) where available for purchase on the voluntary market). One VER/CER is equivalent to one tonne of CO2e emissions. VERs/CERs are created and issued by certified projects that seek to reduce, remove or avoid CO2e emissions, relative to a defined baseline. Offsets will finance such projects and will be reflected on the Schroder Investment Management Limited sub-account on the central registry (Verra or equivalent), who issues a confirmation. To combat the risk of fraud and double counting, each VER/CER has a unique serial number. The central registry can be accessed publicly, online, to verify the VER/CER e.g. https://acrcarbon.org/registry/ or https://registry.verra.org/

Once the carbon offsets have been allocated or purchased, the offsets will subsequently be retired to lock in the benefit of the offset for the relevant Carbon Offset Share Class. Such retirement is made upon the instruction of Schroder Investment Management Limited to the intermediary provider, who will provide the retirement confirmation certificates.

As stated above, the underlying projects seek to reduce, remove or avoid greenhouse gas emissions, but they also bring other positive benefits, for example, they empower communities, protect ecosystems, restore forests or reduce reliance on fossil fuels. Schroders selected carbon offsetting project portfolio and resulting carbon offsets adhere to a rigorous set of criteria to pass verification by an ISO-accredited third-party agency by a leading carbon offset standard like Verra or Gold Standard. The offsets purchased must meet the minimum quality standards of Schroder Investment Management Limited as updated from time to time.

Examples of projects include a reforestation project to reforest native woodland, which creates revenue for participants, local employment opportunities and enhances local water quality and biodiversity, and a rainforest protection project, which aims to protect a forested biodiversity hotspot and creates local employment opportunities, the establishment of a farmers co-operative and contribution to rebuilding of lives following civil war and outbreak of disease.

The details of the calculated carbon exposure, the Offset Fee, the carbon offsets purchased and the carbon offsetting results will be disclosed on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre and in the Company's financial statements.

The offsets are not part of the investment policy of the Fund and any offsets purchased will not be assets of the Fund and will not be part of the Fund's portfolio. As such, the purchase of offsets will not be made at the level of the Fund. The carbon offsets will be purchased in the name of Schroder Investment Management Limited as the delegate of the Management Company. The carbon offsets will consequently not be part of the common portfolio of the different Share Classes of the Fund as they will be accounted for separately from the Fund's assets.

Risks associated with carbon offsetting

- The Offset Fee is not capped and can fluctuate depending on i) the level of the Fund's emissions; and/or ii) the purchase or allocation price of the carbon offsets.
- The Offset Fee will be reviewed at a minimum every quarter (but no more frequently than monthly) with the aim of tracking, on a best efforts basis, the fluctuating carbon exposure of the Fund and the amount required to offset the carbon exposure. This may result in under offsetting or over offsetting depending on how the level of the Fund's emissions and the purchase or allocation price of the carbon offsets change over time.
- Schroder Investment Management Limited will purchase carbon offsets via an intermediary provider. Schroder Investment Management Limited will be subject to the risk of the inability of any such counterparty to perform its obligations, whether due to insolvency, bankruptcy or other causes.
- The most significant risk associated with offsetting projects is that their proposed emissions reductions do not reflect the actual volume of emissions avoided or removed due to various factors. Offsetting through reliable verifiers, using the known standards, mitigates this risk.

Risk profile of the Carbon Offset Share Classes

Carbon Offset Share Classes are suitable for those Investors who are looking for an option to offset the carbon emissions of their investment in the Fund. This involves higher cost (the Offset Fee) but there will be no change to the financial risk and return characteristics of an Investor's investment in the Fund and so there is no difference in this respect between an Investor purchasing a Carbon Offset Share Class and a Share Class that does not offer a carbon offset arrangement save for the Offset Fee. Investors should note that other available Share Classes in the Fund will generally be cheaper.

Additional Information

Investors should note in particular the following:

- Carbon offsets are not assets of the Fund and are not part of the Fund's portfolio.

- A perfect match between the actual carbon exposure at the end of the relevant period and the accrued Offset Fee is unlikely and cannot be guaranteed by the Management Company or Schroder Investment Management Limited.

- Scope 3 emissions as defined above are not taken into account when calculating carbon emissions and the carbon exposure of a Fund.

- Holdings in cash or non-corporate securities (including but not limited to securities issued by governments, government agencies and supra-nationals) are also excluded from the calculation.

- If data for a company is not available, Schroder Investment Management Limited will use the average of the Fund's emissions for that issuer, i.e. the average emissions of the investments for which data is available.

Switching from or to an available Carbon Offset Share Class is permitted, please refer to the section titled 'Switching Procedure' for further details.

Confirmation of all Carbon Offset Share Classes available can be obtained from the Management Company upon request.

Carbon Offset Share Classes will be designated with the suffix "CO".

3. Minimum Subscription Amount, Minimum Additional Subscription Amount and Minimum Holding Amount

Minimum subscription amount, minimum additional subscription amount and minimum holding amount per Share Class are listed below and are in USD, EUR or their near equivalent in any other freely convertible currency.

Share Classes	Minimum Subscription Amount		Minimum Additional Subscription Amount		Minimum Holding Amount	
	USD	EUR	USD	EUR	USD	EUR
A	1,000	1,000	1,000	1,000	1,000	1,000
AX	1,000	1,000	1,000	1,000	1,000	1,000
A1	1,000	1,000	1,000	1,000	1,000	1,000
B	1,000	1,000	1,000	1,000	1,000	1,000
C	1,000	1,000	1,000	1,000	1,000	1,000
CB	500	500	500	500	500	500
CI	5,000,000	5,000,000	2,500,000	2,500,000	5,000,000	5,000,000
CN	1,000	1,000	1,000	1,000	1,000	1,000
CX	1,000	1,000	1,000	1,000	1,000	1,000
D	1,000	1,000	1,000	1,000	1,000	1,000
E	1,000	1,000	1,000	1,000	1,000	1,000
F*	1,000	1,000	1,000	1,000	1,000	1,000
I	5,000,000	5,000,000	2,500,000	2,500,000	5,000,000	5,000,000

Share Classes	Minimum Subscription Amount		Minimum Additional Subscription Amount		Minimum Holding Amount	
IE	5,000,000	5,000,000	2,500,000	2,500,000	5,000,000	5,000,000
IZ	100,000,000	100,000,000	20,000,000	20,000,000	100,000,000	100,000,000
IA	250,000,000	250,000,000	20,000,000	20,000,000	250,000,000	250,000,000
IB	300,000,000	300,000,000	20,000,000	20,000,000	300,000,000	300,000,000
IC	350,000,000	350,000,000	20,000,000	20,000,000	350,000,000	350,000,000
ID	400,000,000	400,000,000	20,000,000	20,000,000	400,000,000	400,000,000
IS	5,000,000	5,000,000	2,500,000	2,500,000	5,000,000	5,000,000
J	5,000,000	-	2,500,000	-	5,000,000	-
K1	There is no minimum initial subscription, additional subscription or holding amount					
K2	There is no minimum initial subscription, additional subscription or holding amount					
P	100,000,000	100,000,000	20,000,000	20,000,000	100,000,000	100,000,000
PI	100,000,000	100,000,000	20,000,000	20,000,000	100,000,000	100,000,000
R	There is no minimum initial subscription, additional subscription or holding amount					
S	There is no minimum initial subscription, additional subscription or holding amount					
U	1,000	1,000	1,000	1,000	1,000	1,000
X	-	25,000,000	-	12,500,000	-	25,000,000
X1	-	22,500,000	-	12,500,000	-	22,500,000
X2	-	20,000,000	-	12,500,000	-	20,000,000
X3	-	17,500,000	-	12,500,000	-	17,500,000
X4	-	25,000,000	-	12,500,000	-	25,000,000
X5	-	25,000,000	-	12,500,000	-	25,000,000
X6	-	25,000,000	-	12,500,000	-	25,000,000
X7	-	25,000,000	-	12,500,000	-	25,000,000
X8	-	25,000,000	-	12,500,000	-	25,000,000
X9	-	25,000,000	-	12,500,000	-	25,000,000
Y	1,000	1,000	1,000	1,000	1,000	1,000
Y1	1,000	1,000	1,000	1,000	1,000	1,000
Y2	1,000	1,000	1,000	1,000	1,000	1,000
Y3	1,000	1,000	1,000	1,000	1,000	1,000
Y4	1,000	1,000	1,000	1,000	1,000	1,000
Y5	1,000	1,000	1,000	1,000	1,000	1,000
Y6	1,000	1,000	1,000	1,000	1,000	1,000
Y7	1,000	1,000	1,000	1,000	1,000	1,000
Y8	1,000	1,000	1,000	1,000	1,000	1,000
Y9	1,000	1,000	1,000	1,000	1,000	1,000
Z	100,000,000	100,000,000	20,000,000	20,000,000	100,000,000	100,000,000

These minima may be waived at the Directors' discretion from time to time.

*F Share Classes are only available for subscription in SGD.

4. Currency and Hedging policy

The above Share Classes, where available, may be offered in various currencies (each a "Reference Currency") at the Directors' discretion. Share Classes may be currency denominated or currency hedged Share Class and they will be designated as such. Currency hedged Share Classes are offered in a currency other than the Fund currency, with the exception of the BRL Hedged Share Class which is denominated in the Fund Currency.

The aim of a hedged Share Class is to provide an Investor with the performance returns of the Fund's investments by reducing the effects of exchange rate fluctuations between the Fund Currency and the Reference Currency. In this instance currency exposures or currency hedging transactions within the Fund's portfolio will not be considered. The Management Company will review hedged positions at every valuation point to ensure that (i) over-hedged positions do not exceed 105% of the Net Asset Value of the hedged Classes and (ii) under-hedged positions do not fall short of 95% of the portion of the Net Asset Value of the hedged Classes which is to be hedged against the currency risk.

Due to currency controls in Brazil, the BRL Hedged Share Class uses a different hedging model to the other currency hedged Share Classes. The BRL Hedged Share Class will be denominated in the Fund Currency but offers hedged currency exposure to BRL by applying a currency overlay, so that the Net Asset Value of the Share Class is converted to BRL. As such, the Net Asset Value of the BRL Hedged Share Class will be affected by changes in the exchange rate between BRL and the Fund Currency and as a result performance may vary significantly from other share classes within the Fund.

BRL Hedged Share Classes are designed to offer a currency hedging solution to the underlying investors of funds domiciled in Brazil and will be restricted to Investors specifically approved by the Management Company. These Brazilian funds combine the use of financial derivative instruments within the BRL Hedged Share Classes with the use of spot foreign exchange contracts at their own level to offer their investors a full BRL currency hedged investment. Any profit or loss as well as costs and expenses resulting from these hedging transactions will be reflected exclusively in the Net Asset Value of the BRL Hedged Share Class.

Confirmation of all the Funds and Share Classes available including currency denomination and hedging, as well as an up-to-date list of Share Classes with a contagion risk can be obtained from the Management Company upon request.

While the Company has taken steps to ensure that the risk of contagion between Share Classes is mitigated in order to ensure that the additional risk introduced to a Fund through the use of a derivative overlay is only borne by the Shareholders in the relevant Share Class, this risk cannot be fully eliminated.

The performance of hedged Share Classes aims to be similar to the performance of equivalent Share Classes in Fund Currency. There is no assurance however that the hedging strategies employed will be effective in delivering performance differentials that are reflective only of interest rate differences adjusted for fees.

Where undertaken, the effects of this hedging will be reflected in the Net Asset Value and, therefore, in the performance of such additional Share Class. Similarly, any expenses arising from such hedging transactions (including a hedging charge of up to 0.03%) will be borne by the Share Class in relation to which they have been incurred.

Collateral received in connection with currency hedging transactions (and in particular currency forward transactions) on behalf of currency hedged Share Classes, may be reinvested, in compliance with the applicable investment policy and restrictions of the Funds.

It should be noted that, where relevant, these hedging transactions may be entered into whether the Reference Currency is declining or increasing in value relative to the relevant Fund Currency and so, where such hedging is undertaken it may substantially protect Investors in the relevant Share Class against a decrease in the value of the Fund Currency relative to the Reference Currency, but it may also preclude Investors from benefiting from an increase in the value of the Fund Currency.

In addition the Investment Manager may hedge the Fund Currency against the currencies in which the underlying assets of the Fund are denominated or the underlying unhedged assets of a target fund are denominated.

There can be no assurance that the currency hedging employed will fully eliminate the currency exposure to the Reference Currency, or for the BRL Hedged Share Class, that the currency hedging employed will fully eliminate the currency exposure to BRL.

The Fund EURO Corporate Bond has issued duration hedged Share Classes. Duration hedged Share Classes utilise hedging strategies that seek to reduce the Share Class' sensitivity to changes in interest rate movements. There is no assurance that these hedging strategies will be successful. Where undertaken, the effects of this hedging will be reflected in the Net Asset Value and, therefore, in the performance of the Share Class. Similarly, any expenses arising from such hedging transactions will be borne by the duration hedged Share Class. The performance of the duration hedged Share Classes may be more volatile than unhedged Share Classes and underperform other Share Classes in the Fund EURO Corporate Bond depending on interest rate movements. Duration hedged Share Classes are not issued as from January 2017.

The Management Company will delegate some or all of its currency and hedging policy related activities described in this Prospectus to HSBC Bank Plc as its FX overlay services provider.

The specific investment objectives and investment policies of the different Funds are the following:

Schroder International Selection Fund AAA Flexible ABS

Investment Objective

The Fund aims to generate income in excess of the ICE BofA Sterling 3-Month Government Bill Index +1% per annum before fees have been deducted* over a five to seven year period by investing in AAA rated asset-backed securities issued by entities worldwide and fixed or floating rate securities issued by the governments of the US or the UK.

* For the target return after fees for each Share Class please visit the Schroder webpage

https://www.schroders.com/en-lu/lu/individual/funds-and-strategies/fund-administration/performance-targets-after-fees/

Investment Policy

The Fund is actively managed and invests at least 80% of its assets in (i) AAA rated fixed and floating rate asset-backed securities (ABS) issued worldwide or (ii) fixed or floating rate securities issued by the governments of the US or UK, including government-guaranteed agency mortgage-backed securities.

The Fund allocates flexibly across ABS investments, which may include residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS), collateralised loan obligations (CLOs) and credit risk transfer securities (CRTs). Other underlying assets of the ABS may also include, but are not limited to, credit card receivables, personal loans, auto loans, transportation finance and small business loans.

The Fund may invest up to 100% of its assets in CLOs.

The Fund will only invest in assets rated AA- or higher (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated securities and implied Schroders ratings for non-rated securities).

The Fund may also invest its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market instruments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Investment Manager assesses the sustainability credentials of potential investments using a proprietary tool. The Fund only invests in assets deemed above a minimum threshold based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark, the ICE BofA Sterling 3-month Government Bill Index +1% and compared against its comparator benchmark 50% Barclays European ABS Index (hedged to GBP) and 50% JP Morgan CLOIE AAA Index (hedged to GBP). The Fund's investment universe is not expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target or comparator benchmarks. The Investment Manager will invest in companies or sectors not included in the target and comparator benchmarks in order to take advantage of specific investment opportunities. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets.

The target benchmark has been selected because the target return of the Fund is to deliver the return of that benchmark as stated in the investment objective. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Relative Value-at-Risk (VaR)

VaR Benchmark

50% Barclays European ABS Index (hedged to GBP) and 50% JP Morgan CLOIE AAA Index (hedged to GBP). This index tracks senior (AAA) CLO, European ABS and US AAA asset backed securities. It is a low volatility securitised, high grade tracker

Expected Leverage

200% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the relative VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the relative VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The Fund will make use of credit derivative instruments to seek exposure to global credit markets. This may lead to a higher volatility in the price of the Shares and may imply increased counterparty risk.

The Fund may invest in CLOs, which are securities backed by corporate debt. CLOs are generally issued in multiple classes, each having different maturities, interest rates and payment schedules, and with the principal and interest on the underlying assets allocated among the several classes in various ways. In some cases, the complexity of the payment, credit quality and other terms of such CLO may create a risk that terms of the security are not fully transparent. In addition, the complexity of CLOs may make valuation of such securities at an appropriate price more difficult, particularly where the security is customised.

A detailed description of the risks linked to asset-backed securities, mortgage-backed securities and CLOs can be found in Appendix II of this Prospectus.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term. The Fund is not intended for retail investors other than those who are advised by a professional investment advisor or who are sophisticated investors. A sophisticated investor means an investor who:

(A) understands the Fund's strategy, characteristics and risks in order to make an informed investment decision; and

(B) has knowledge of, and investment experience in, financial products that use alternative investment strategies (such as this Fund) and financial markets generally

Fund Characteristics

Fund Currency	GBP
Investment Manager	Schroder Investment Management North America Inc.
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	Within 3 Business Days following the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	0.34%
AX Shares	Up to 3%	None	0.34%
A1 Shares	Up to 2%	0.50%	0.34%
B Shares	None	0.50%	0.34%
C Shares	Up to 1%	None	0.17%
CN Shares	Up to 3%	None	0.17%
CX Shares	Up to 1%	None	0.17%
D Shares	N/A	N/A	N/A

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.17%
Z Shares	None	None	Up to 0.17%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

Unless a higher amount is specified in Appendix III, the minimum subscription amount to subscribe in the Share Classes of the Fund will be EUR 50,000 (or the equivalent in the currency of the relevant Share Class).

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund All China Equity

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI China All Shares Net TR index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Chinese companies (irrespective of where the companies are listed).

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Chinese companies.

The Fund may invest directly in China H-Shares. The Fund may invest up to 70% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("QFI") scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI China All Shares Net TR index and compared against the Morningstar China Equity sector. The Fund’s investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund’s assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund’s portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund’s investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The Fund may invest in mainland China through QFI schemes or Regulated Markets. Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status and QFI quota.

The reference in the Investment Policy to a Fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund’s investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Hong Kong) Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	Up to 0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Alternative Securitised Income

Investment Objective

The Fund aims to provide income and capital growth in excess of 50% JP CLOIE index + 50% ICE BofA CABS Index before fees have been deducted* over a three to five year period by investing in securitised assets issued by entities worldwide.

*For the target return after fees for each Share Class please visit the Schroder webpage https://www.schroders.com/en-lu/lu/individual/funds-and-strategies/fund-administration/performance-targets-after-fees/

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securitised investments including, but not limited to, asset-backed securities (ABS), agency and non-agency residential mortgage-backed securities (MBS) including forward-settling securities such as to be announced (TBA) trades, commercial mortgage-backed securities (CMBS), credit risk transfer securities (CRTs) and up to 49% of its assets in collateralised loan obligations (CLOs). Underlying assets of the asset-backed securities may include credit card receivables, personal loans, auto loans, transportation finance and small business loans. The Fund may also invest in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund's strategy will have an overall duration of between zero and four years, but this does not preclude the Fund from investing in securities with a duration above four years.

The Fund may invest up to 100% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in fixed and floating rate investments issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated securities and implied Schroders ratings for non-rated securities).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps on a continuous basis. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 30% of the Net Asset Value. In certain circumstances this may be higher.

The Investment Manager assesses the sustainability credentials of potential investments using a proprietary tool. The Fund only invests in assets deemed above a minimum threshold based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark, being to exceed 50% JP CLOIE index + 50% ICE BofA CABS Index and compared against 50% Bloomberg Barclays 1-5yr Global Credit index (hedged to USD) and 50% Bloomberg Barclays 1–5yr Global HY Index (hedged to USD) and ICE BofA 3 Month US Treasury Bill Index +3.5%. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. Whilst the Fund's investments are generally expected to deviate significantly from the components of the target benchmark and 50% Bloomberg Barclays 1-5yr Global Credit index (hedged to USD) and 50% Bloomberg Barclays 1–5yr Global HY Index (hedged to USD), dependent on the Investment Manager's views, the Fund's investments may overlap with them. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark and 50% Bloomberg Barclays 1-5yr Global Credit index (hedged to USD) and 50% Bloomberg Barclays 1–5yr Global HY Index (hedged to USD). The Investment Manager will invest in companies or sectors not included in the target benchmark or 50% Bloomberg Barclays 1-5yr Global Credit index (hedged to USD) and 50% Bloomberg Barclays 1–5yr Global HY Index (hedged to USD).

The target benchmark has been selected because the target return of the Fund is to deliver the return of that benchmark as stated in the investment objective. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Relative Value-at-Risk (VaR)

VaR Benchmark

50% JP CLOIE index + 50% ICE BofA CABS Index. This index tracks 50% of USD denominated, investment grade securitised rated corporate debt and 50% in debt from broadly-syndicated, arbitrage floating-rate CLOs

Expected Leverage

200% of the total net assets. The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the relative VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the relative VaR approach please see Appendix I. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The Fund will make use of credit derivative instruments to seek exposure to global credit markets. This may lead to a higher volatility in the price of the Shares and may imply increased counterparty risk.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management North America Inc.
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	Within 3 Business Days following the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.00%
AX Shares	Up to 3%	None	1.00%
A1 Shares	Up to 2%	0.50%	1.00%
B Shares	None	0.50%	1.00%
C Shares	Up to 1%	None	0.50%
CN Shares	Up to 3%	None	0.50%
CX Shares	Up to 1%	None	0.50%
D Shares	N/A	N/A	N/A

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.50%
Z Shares	None	None	Up to 0.50%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Asian Bond Total Return

Investment Objective

The Fund aims to provide capital growth and income by investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies in Asia.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities, derivatives related to these securities and currencies. The fixed and floating rate securities are issued by governments, government agencies, supra-nationals and companies in Asia. For the purposes of this Fund, Asia includes the following west Asian countries: Bahrain, Israel, Lebanon, Oman, Qatar, Saudi Arabia, Turkey and United Arab Emirates.

The Fund is designed to participate in rising markets whilst aiming to mitigate losses in falling markets through the use of derivatives. The mitigation of losses cannot be guaranteed.

The Fund may invest up to 30% of its assets in mainland China through the Qualified Foreign Investor ("QFI") scheme or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may invest up to 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may (exceptionally) hold 100% of its assets in Money Market Investments or cash. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps on a temporary basis in market conditions including but not limited to periods of slow economic growth and falling interest rates, and where the Investment Manager's view is that sovereign spread premiums will compress. The gross exposure of total return swaps will not exceed 20% and is expected to remain within the range of 0% to 5% of the Net Asset Value. In certain circumstances this proportion may be higher.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against 50% Markit iBoxx Asian Local Currency index + 50% JP Morgan Asian Credit index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

This Fund is categorised as "Specialist Bond Fund"

Risk Considerations

Risk Management method

Absolute Value-at-Risk (VaR)

Expected Leverage

250% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the absolute VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the absolute VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

Long and short positions gained through bond total return swaps may increase exposure to credit-related risks. The Fund may invest in mainland China through QFI schemes or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct). Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status, QFI quota, the Bond Connect or CIBM Direct.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Singapore) Ltd
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.00%
AX Shares	Up to 3%	None	1.00%
A1 Shares	Up to 2%	0.50%	1.00%
B Shares	None	0.50%	1.00%
C Shares	Up to 1%	None	0.60%
CN Shares	Up to 3%	None	0.60%
CX Shares	Up to 1%	None	0.60%
D Shares	None	1.00%	1.00%
E Shares	N/A	N/A	N/A
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.60%
Z Shares	None	None	Up to 0.60%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Asian Convertible Bond

Investment Objective

The Fund aims to provide capital growth in excess of the FTSE Asia ex Japan Hedged Convertible Bond index (USD) after fees have been deducted over a three to five year period by investing in convertible securities issued by companies in Asia (excluding Japan).

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in a diversified range of convertible securities and other similar transferable securities, such as convertible preference securities, exchangeable bonds or exchangeable notes issued by companies in Asia (excluding Japan). The Fund may also invest in fixed and floating rate securities, equity and equity related securities of Asian companies (excluding Japan).

Convertible bonds are typically corporate bonds that can be converted into equities at a given price. As such, the Investment Manager believes investors can gain exposure to Asian (excluding Japan) equity markets with the defensive benefits and less volatile characteristics of a bond investment.

The Fund may invest in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the FTSE Asia ex Japan Hedged Convertible Bond index (USD). The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Further Information

The Fund is categorised as "Specialist Bond Fund".

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.25%
AX Shares	Up to 3%	None	1.25%
A1 Shares	Up to 2%	0.50%	1.25%
B Shares	None	0.50%	1.25%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.25%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Asian Credit Opportunities

Investment Objective

The Fund aims to provide capital growth and income in excess of the JP Morgan Asia Credit index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities issued by companies in Asia.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in various currencies and issued by companies, governments, government agencies and supra-nationals in Asia. For the purposes of this Fund, Asia includes the following west Asian countries: Bahrain, Israel, Lebanon, Oman, Qatar, Saudi Arabia, Turkey and United Arab Emirates.

The Fund may invest:

- up to 20% of its assets in asset-backed securities and mortgage-backed securities; and
- up to 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may invest up to 20% of its assets in mainland China through the Qualified Foreign Investor ("QFI") scheme or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund intends to use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the JP Morgan Asia Credit index based on the Investment Manager’s rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability-Related Disclosure” on the Fund’s webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed JP Morgan Asia Credit index. The Fund’s investment universe is expected to overlap to a limited extent with the components of the target benchmark. However, the Fund will likely reflect certain features of the target benchmark (namely credit quality/duration, currency exposure and exposure to particular issuers). The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund’s portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund ".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Absolute Value-at-Risk (VaR)

Expected Leverage

200% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the absolute VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the absolute VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all share classes after fees have been deducted

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Singapore) Ltd
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.00%
AX Shares	Up to 3%	None	1.00%
A1 Shares	Up to 2%	0.50%	1.00%
B Shares	None	0.50%	1.00%
C Shares	Up to 1%	None	0.50%
CN Shares	Up to 3%	None	0.50%
CX Shares	Up to 1%	None	0.50%
D Shares	None	1.00%	1.00%
E Shares	Up to 1%	None	0.25%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.50%
Z Shares	None	None	Up to 0.50%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Asian Dividend Maximiser

Investment Objective

The Fund aims to deliver an income of 7% per year by investing in equities or equity related securities of Asia-Pacific companies (excluding Japan). This is not guaranteed and could change depending on market conditions.

Investment Policy

The Fund is actively managed and invests at least two thirds of its assets (excluding cash) in equities or equity related securities of Asia-Pacific companies (excluding Japan), which are selected for their income and capital growth potential. To enhance the yield of the Fund, the Investment Manager selectively sells short dated call options over individual securities held by the Fund, generating extra income by agreeing strike prices above which potential capital growth is sold.

The Fund may invest directly in China H-Shares and may invest up to 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI AC Pacific ex Japan High Dividend Yield (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against the income target of 7% per year, and compared against the MSCI AC Pacific ex Japan (Net TR) index and the MSCI AC Pacific ex Japan High Dividend Yield (Net TR) index. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap materially with the components of the comparator benchmarks. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmarks. The Investment Manager will invest in companies or sectors not included in the comparator benchmarks.

The income target has been selected because the Investment Manager deploys strategies that aim to deliver the level of income stated in the investment objective. The comparator benchmarks have been selected because the Investment Manager believes that the benchmarks are a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

This Fund makes use of derivatives in a way that is fundamental to its investment objective. It is expected that the strategy will typically underperform a similar portfolio with no derivatives overlay in periods when the underlying stock prices are rising, and outperform when the underlying stock prices are falling.

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Asian Equity Yield

Investment Objective

The Fund aims to provide income and capital growth in excess of the MSCI AC Asia Pacific ex Japan (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Asia Pacific companies (excluding Japan).

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Asia Pacific companies (excluding Japan).

The Fund invests in the equities of companies in the Asia Pacific (excluding Japan) region that pay dividends now but also retain enough cash to reinvest back into the company to generate future growth.

The Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("QFI") scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan High Dividend Yield (net TR) Index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed MSCI AC Asia Pacific ex Japan (Net TR) index and compared against the MSCI AC Asia Pacific ex Japan High Dividend Yield (Net TR) index, the Morningstar Asia Pacific ex Japan Income Category and the Morningstar Asia Pacific ex Japan Equity Category. The Fund's investment universe is expected to overlap to a limited extent with the components of the target and comparator benchmarks. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target and comparator benchmarks. The Investment Manager will invest in companies or sectors not included in the target or comparator benchmarks in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. Any comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The Fund may invest in mainland China through QFI schemes or Regulated Markets. Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status and QFI quota.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Singapore) Ltd
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Asian Local Currency Bond

Investment Objective

The Fund aims to provide capital growth and income in excess of the iBoxx Asian Local Currency Bond index after fees have been deducted over a three to five year period by investing in Asian fixed income securities denominated in local currencies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed income securities with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) denominated in local currencies issued by government, government agencies and companies in Asia (excluding Japan) and derivatives related to the above instruments. For the purposes of this Fund, Asia includes the following west Asian countries: Bahrain, Israel, Lebanon, Oman, Qatar, Saudi Arabia, Turkey and United Arab Emirates.

The Fund may invest up to 30% of its assets directly in mainland China through (i) QFI schemes or QFI related schemes supervised by the China Securities Regulatory Commission provided investment restriction 1.(A) (5) (I) of Appendix I is complied with and/or they qualify as Investment Funds and (ii) Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

Investments in mainland China Regulated Markets and interbank bond markets may also be performed indirectly through notes, certificates or other instruments (which qualify as transferable securities and do not embed a derivative element), open-ended Investment Funds and eligible derivative transactions.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund intends to use derivatives (including total return swaps and long and short currency forwards) with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. Where the Fund uses total return swaps, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps on a temporary basis in market conditions including but not limited to periods of slow economic growth and falling interest rates, and where the Investment Manager's view is that sovereign spread premiums will compress. The gross exposure of total return swaps will not exceed 20% and is expected to remain within the range of 0% to 5% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund maintains a higher overall sustainability score than the iBoxx Asian Local Currency Bond index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the iBoxx Asian Local Currency Bond index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Relative Value-at-Risk (VaR)

VaR Benchmark

iBoxx Asian Local Currency Bond Index. This index tracks the total return performance of a bond portfolio which consists of local-currency denominated, high quality and liquid bonds in Asia ex-Japan. The iBoxx Asian Local Currency Bond Index includes bonds from the following countries/regions: Korea, Hong Kong SAR, India, Singapore, Taiwan, Malaysia, Thailand, the Philippines, Indonesia and China.

Expected Leverage

300% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the relative VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the relative VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

Long and short positions gained through bond total return swaps may increase exposure to credit-related risks. The Fund may invest in mainland China through QFI schemes or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct). Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status, QFI quota, the CIBM and Bond Connect.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all share classes after fees have been deducted

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Singapore) Ltd
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.00%
AX Shares	Up to 3%	None	1.00%
A1 Shares	Up to 2%	0.50%	1.00%
B Shares	None	0.50%	1.00%
C Shares	Up to 1%	None	0.60%
CN Shares	Up to 3%	None	0.60%
CX Shares	Up to 1%	None	0.60%
D Shares	None	1.00%	1.00%
E Shares	Up to 1%	None	0.30%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.60%
Z Shares	None	None	Up to 0.60%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

Schroder International Selection Fund Asian Opportunities

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI AC Asia ex Japan (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Asian companies (excluding Japan).

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Asian companies (excluding Japan).

The Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("QFI") scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI AC Asia ex Japan (Net TR) Index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI AC Asia ex Japan (Net TR) index and compared against the Morningstar Asia ex Japan Equities Category. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Mainstream Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The Fund may invest in mainland China through QFI schemes or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct). Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status, QFI quota, the CIBM and Bond Connect.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking long term growth potential offered through investment in equities.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Singapore) Ltd
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Asian Total Return

Investment Objective

The Fund aims to provide capital growth and income in excess of the MSCI AC Asia Pacific ex Japan (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Asia Pacific companies. The Fund is designed to participate in rising markets whilst aiming to mitigate losses in falling markets through the use of derivatives. The mitigation of losses cannot be guaranteed.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in Asia Pacific equity and equity related securities.

The Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("QFI") scheme:
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may buy or sell equity index futures and buy and sell index options on indices or individual stocks. To obtain exposure to equity indices and individual stocks, the Fund may also enter into contracts for difference where the underlying investments are not delivered and settlement is made in cash. Contracts for difference may be used to gain long and short exposure or to hedge exposure on equity and equity related securities. The gross exposure of contracts for difference will not exceed 10% and is expected to remain within the range of 0% to 10% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI AC Asia Pacific ex Japan (Net TR) index and compared against ICE BofA 3 Month US Treasury Bill Index. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The Fund may invest in mainland China through QFI schemes or Regulated Markets. Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status and QFI quota.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The associated risks involved in investing in derivatives are highlighted in Appendix II.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Singapore) Ltd
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

1 Different subscription and redemption procedures may apply if applications are made through Distributors.

2 The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

3 Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund BIC (Brazil, India, China)

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI BIC (Net TR) 10/40 index after fees have been deducted over a three to five year period, by investing in equity and equity related securities of Brazilian, Indian and Chinese companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in a range of equity and equity related securities of Brazilian, Indian and Chinese companies.

The Fund may invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI BIC (Net TR) 10/40 index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI BIC (Net TR) 10/40 index. The Fund's investment universe is expected to overlap materially, directly or indirectly, with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Special Information

In the context of the unprecedented geo-political situation caused by Russia's invasion of the Ukraine and the resultant impact of sanctions and the actions of governments and market counterparties on certain Russian issuers and assets, the Fund's residual holdings in Russian assets (the "Russian Assets") are currently valued at zero. These Russian Assets represented approximately 0.35% of the Fund's net asset value as of 3 March 2022 when the value was reduced to zero. In the event that value returns to these assets they will be returned to the Net Asset Value of the Fund and will be divested by the Investment Manager taking into account the best interests of Shareholders in line with the Fund's amended investment strategy, which is applicable as from 18 April 2023.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund BioPharma Growth

Investment Objective

The Fund aims to provide capital growth by investing in equity and equity related securities of biotechnology and pharmaceutical ("BioPharma") related companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity-related securities of BioPharma related companies worldwide, which may include small-sized companies.

BioPharma may include biotechnology, medical technology, hospital services and pharmaceutical related companies. By focusing on companies positioned to benefit from regulatory milestones and major medical innovations, the Fund aims to capture growth opportunities driven by exposure to the dynamic evolution of the BioPharma industry.

The Fund may invest up to 20% of its assets in emerging markets.

The Fund may invest directly in China H-Shares and may invest up to 15% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps on a temporary basis in market conditions including, but not limited to, periods of heightened market stress, sharp drawdowns in biotechnology equities, and/or rising interest rates where the Investment Manager's view is that valuations have become materially dislocated from fundamentals and that prospective returns are attractive. Total return swaps may be used to increase or maintain market exposure efficiently within the Fund's investment restrictions and are not intended to introduce structural leverage. The gross exposure of total return swaps will not exceed 20% and is expected to remain within the range of 0% to 15% of the Net Asset Value. In certain circumstances this proportion may be higher.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against its comparator benchmarks, being the NASDAQ Biotechnology Index (Net TR) and the MSCI AC World Health Care (Net TR) Index. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap materially with the components of the NASDAQ Biotechnology Index (Net TR), and to a limited extent with the components of the MSCI AC World Health Care (Net TR) Index. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmarks.

The Investment Manager may invest in companies or sectors not included in the comparator benchmarks. The comparator benchmarks have been selected because the Investment Manager believes that the benchmarks are a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by the Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day

Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund BlueOrchard Emerging Markets Climate Bond

Investment Objective

The Fund aims to provide income and capital growth over a three to five year period by investing in fixed and floating rate securities worldwide. The Fund will invest in securities issued by governments and companies worldwide, including emerging market countries, whose activities the Investment Manager considers help to advance the UN SDG of taking action to combat climate change and which the Investment Manager deems to be sustainable investments.

Investment Policy

The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments that are expected to contribute towards combating climate change; and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Investment Manager will select sustainable investments from a universe that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of an investment's contribution to the UN SDG of taking action to combat climate change alongside the Investment Manager's assessment of impact and ESG via its proprietary impact investment management framework and tools (including impact and ESG scorecards).

The Fund is part of Schroders' Impact Driven strategies. As such, it applies highly selective investment criteria and its investment process is aligned with the Operating Principles for Impact Management which means that an assessment of impact is embedded in the steps of the investment process. All sustainable investments in the Fund are subject to this framework.

The Fund does not directly invest in the sectors included in BlueOrchard's Public Assets Exclusion List, https://www.blueorchard.com/wp-content/uploads/20220520-BlueOrchard-Exclusion-Policy_Public-Assets.pdf.

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to seek to improve sustainability practices and enhance social and environmental impacts generated by underlying investee companies. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund invests at least two-thirds of its assets in fixed and floating rate securities denominated in various currencies and issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries. The Fund will increase its exposure to emerging markets over time. At the Fund's launch, the exposure to emerging markets will be at least of 50% of its net assets and this exposure will increase progressively with the intention to reach at least 67% of its net assets after three years.

The Fund may invest up to 50% of its assets in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may invest in mainland China through QFI schemes or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may also invest up to one third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (Subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against the J.P. Morgan Corporate EMBI Broad Diversified Composite Index. The comparator benchmark does not reflect the risk profile of the Fund. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap to a limited extent with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a Fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

A detailed description of the risks linked to below-investment grade securities can be found in Appendix II of this Prospectus.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The Fund may invest in mainland China through QFI schemes or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct). Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status, QFI quota, the CIBM and Bond Connect.

The Fund has the objective of sustainable investment (within the meaning of Article 9 SFDR). A Fund with this objective may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	BlueOrchard Finance Ltd
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.45%
AX Shares	Up to 3%	None	1.45%
A1 Shares	Up to 2%	0.50%	1.45%
B Shares	None	0.30%	1.45%
C Shares	Up to 1%	None	0.60%
CN Shares	Up to 3%	None	0.60%
CX Shares	Up to 1%	None	0.60%
D Shares	None	1.00%	1.45%
E Shares	Up to 1%	None	0.40%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.60%
Z Shares	None	None	Up to 0.60%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

Schroder International Selection Fund BlueOrchard Emerging Markets Impact Bond

Investment Objective

The Fund aims to provide income and capital growth by investing in fixed and floating rate securities. The Fund will invest in securities issued by governments, government agencies, supra-nationals and companies of emerging market countries, whose activities the Investment Manager considers create positive social or environmental impact and which the Investment Manager deems to be sustainable investments.

Investment Policy

The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments that contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs by contributing positively towards social development and environmental themes, and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Investment Manager will select sustainable investments from a universe that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of an investment's contribution to the UN SDGs alongside the Investment Manager's assessment of impact and ESG via its proprietary impact investment management framework and tools (including impact and ESG scorecards).

The Fund is part of Schroders' Impact Driven strategies. As such, it applies highly selective investment criteria and its investment process is aligned with the Operating Principles for Impact Management which means that an assessment of impact is embedded in the steps of the investment process. All sustainable investments in the Fund are subject to this framework.

The Fund will invest in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies with the aim to foster financial inclusion and provide decisive funding to economically vulnerable communities globally as well as fixed and floating rate securities related to sustainable infrastructure projects and clean energy initiatives. Such issuers may be involved in activities such as micro, small, and medium enterprise (MSME) lending, affordable housing, affordable education, health, agriculture, clean energy, improvements in energy efficiency, renewable energy, green energy products and humanitarian relief activities, among others.

The Fund will help to advance one or more of the UN SDGs, including but not limited to: the end of poverty in all its forms; the provision of access to affordable, reliable, sustainable and modern energy; the provision of inclusive and sustainable economic growth, employment and decent work for all; the building of resilient infrastructure, promotion of sustainable infrastructure and fostering of innovation; and the reduction of inequality within and among countries.

The Fund does not directly invest in the sectors included in BlueOrchard's Public Assets Exclusion List below.

https://www.blueorchard.com/wp-content/uploads/20220520-BlueOrchard-Exclusion-Policy_Public-Assets.pdf

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to seek to improve sustainability practices and enhance social and environmental impacts generated by underlying investee companies.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund invests at least two-thirds of its assets in fixed and floating rate securities denominated in various currencies and issued by governments, government agencies, supra-nationals and companies of emerging market countries.

The Fund may invest up to 50% of its assets in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may also invest up to one third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I). The investment strategy of the Fund and the use of derivatives may lead to situations where it is considered appropriate that prudent levels of cash and Money Market Investments will be maintained, which may be substantial or even represent (exceptionally) 100% of the Fund's assets. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against the J.P. Morgan Corporate EMBI Broad Diversified Composite Index. The comparator benchmark does not reflect the risk profile of the Fund. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap to a limited extent with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a Fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

A detailed description of the risks linked to below-investment grade securities can be found in Appendix II of this Prospectus.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The Fund has the objective of sustainable investment (within the meaning of Article 9 SFDR). A Fund with this objective may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	BlueOrchard Finance Ltd
Dealing Cut-off Time	13.00 Luxembourg time two days ahead of the Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.45%
AX Shares	Up to 3%	None	1.45%
A1 Shares	Up to 2%	0.50%	1.45%
B Shares	None	0.30%	1.45%
C Shares	Up to 1%	None	0.60%
CN Shares	Up to 3%	None	0.60%
CX Shares	Up to 1%	None	0.60%
D Shares	None	1.00%	1.45%
E Shares	Up to 1%	None	0.40%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.625%

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
Z Shares	None	None	Up to 0.625%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Climate Transition Credit

Investment Objective

The Fund aims to achieve income and capital growth by investing in fixed and floating rate securities issued by companies, governments, government agencies and supra-nationals worldwide that in the Investment Manager's view contribute to global climate transition objectives, advance climate mitigation and adaptation efforts, or provide climate or nature solutions.

Investment Policy

The Fund is actively managed and invests its assets in (a) sustainable investments which are investments that in the Investment Manager's view contribute to global climate transition objectives, advance climate mitigation and adaptation efforts, or provide climate or nature solutions, and (b) investments that the Investment Manager deems to be neutral under its sustainability criteria, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Fund invests at least 20% of its assets in green, social, or sustainable bonds.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund or from the investible universe to gain insights or request improvement on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund invests at least two-thirds of its assets in fixed and floating rate securities issued by companies, governments, government agencies and supra-nationals worldwide, including emerging market countries.

The Fund may invest:

- up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds); and
- up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds.

The Investment Manager believes that over the long term, companies that manage the risks and invest in the opportunities arising from climate change better than peers will not only experience fewer penalties, but capture financial and non-financial rewards for various stakeholders.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against the Barclays Multiverse ex Treasury A+ to B-, EUR hedged index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap to a limited extent with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Bond Fund".

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The Fund has the objective of sustainable investment (within the meaning of Article 9 SFDR). A Fund with this objective may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the

Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management (Europe) SA – German Branch
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	0.75%
AX Shares	Up to 3%	None	0.75%
A1 Shares	Up to 2%	0.50%	0.75%
B Shares	None	0.60%	0.75%
C Shares	Up to 1%	None	0.45%
CN Shares	Up to 3%	None	0.45%
CX Shares	Up to 1%	None	0.45%
D Shares	None	1.00%	0.75%
E Shares	Up to 1%	None	0.225%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.45%
Z Shares	None	None	Up to 0.45%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund China A

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI China A Onshore (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges (China A-Shares).

The Fund may invest up to 100% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("QFI") scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, contracts for difference may be used to gain long or short exposures or to hedge exposure on equity and equity related securities. The gross exposure of contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 30% of the Net Asset Value. In certain circumstances this proportion may be higher.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI China A Onshore (Net TR) index and compared against the Morningstar China A Shares Category. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The Fund may invest in mainland China through QFI schemes or Regulated Markets. Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status and QFI quota.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Hong Kong) Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day

Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund China A All Cap

The Fund aims to provide capital growth in excess of the MSCI China A Onshore (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges (China A-Shares). The Fund typically holds 30 – 50 companies.

The Fund may invest in a broad range of companies regardless of market capitalisations.

The Fund may invest up to 100% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor ("QFI") scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Fund may invest up to 10% of its assets in offshore listed Chinese companies and up to 10% of its assets in the offshore listing of dual-listed Chinese A-Share companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI China A Onshore (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI China A Onshore (Net TR) index and compared against the Morningstar China A Shares Category. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The Fund may invest in mainland China through QFI schemes or Regulated Markets. Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status and QFI quota.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Hong Kong) Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund China Local Currency Bond

Investment Objective

The Fund aims to provide capital growth and income in excess of the iBoxx ALBI China Onshore index after fees have been deducted over a three to five year period by investing in fixed income securities denominated in onshore RMB (CNY).

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities, convertible bonds and Money Market Investments denominated or hedged back to onshore RMB (CNY).

These instruments may be issued outside or inside of mainland China by governments, government agencies, supra-nationals and companies which may or may not be established or incorporated in mainland China across sectors and credit quality. The Fund may also invest in fixed income securities denominated in offshore RMB (CNH).

The Fund may invest up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may invest in instruments traded on the RMB Bond market in Hong Kong and in instruments denominated in RMB traded on other Regulated Markets.

The Fund may invest up to 100% of its assets directly in mainland China through (i) QFI schemes or QFII related schemes supervised by the China Securities Regulatory Commission provided investment restriction 1.(A) (5) (I) of Appendix I is complied with and/or they qualify as Investment Funds and (ii) Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

Investments in mainland China Regulated Markets and interbank bond markets may also be performed indirectly through notes, certificates or other instruments (which qualify as transferable securities and do not embed a derivative element), open-ended Investment Funds and eligible financial derivative instruments.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the iBoxx ALBI China Onshore index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the iBoxx ALBI China Onshore index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Relative Value-at-Risk (VaR)

VaR Benchmark

iBoxx Asian Local Bond Index – China Onshore Index. This index tracks the total return performance of CNY denominated debt issued onshore in China by the Ministry of Finance of the People's Republic of China.

Expected Leverage

400% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the relative VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the relative VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The Fund may invest in mainland China through QFI schemes or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct). Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status, QFI quota, the CIBM and Bond Connect.

It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies of the People's Republic of China government. As a result of the People's Republic China government restrictions on cross-border RMB fund flows, the availability of offshore RMB may be limited.

Commencing 2005, the exchange rate of the RMB was no longer pegged to the US dollar. The RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies, including US dollar and Hong Kong dollar, are susceptible to movements based on external factors.

The possibility that the appreciation of the RMB will be accelerated cannot be excluded. On the other hand, there can be no assurance that the RMB will not be subject to devaluation. Any devaluation of the RMB could adversely affect the value of investor's investments in the Fund. Investors whose base currency is not the RMB may be adversely affected by changes in the exchange rates of the RMB. Further, the Chinese government's imposition of restrictions on the RMB out of China may limit the depth of the RMB market in Hong Kong and reduce the liquidity in the Fund. The Chinese government's policies on exchange control and repatriation restrictions are subject to change, and the Fund's position may be adversely affected.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund’s investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	RMB
Investment Manager	Schroder Investment Management (Singapore) Ltd
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	0.75%
AX Shares	Up to 3%	None	0.75%
A1 Shares	Up to 2%	0.50%	0.75%
B Shares	None	0.50%	0.75%
C Shares	Up to 1%	None	0.375%

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors’ discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
CN Shares	Up to 3%	None	0.375%
CX Shares	Up to 1%	None	0.375%
D Shares	None	1.00%	0.75%
E Shares	Up to 1%	None	0.1875%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.375%
Z Shares	None	None	Up to 0.375%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund China Opportunities

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI China (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Chinese companies.

Investment Policy

The Fund is actively managed and invests at least two thirds of its assets in equity and equity-related securities of Chinese companies.

The Fund may invest directly in China H-Shares and may invest less than 50% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor (QFI) Scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI China (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI China (Net TR) index and compared against the Morningstar China Equity Category. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The Fund may invest in mainland China through QFI schemes or Regulated Markets. Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status and QFI quota.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Hong Kong) Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Commodity

Investment Objective

The Fund aims to provide capital growth in excess of the Bloomberg Commodity Total Return index (BCOMTR Index) after fees have been deducted over a three to five year period by investing in commodity related instruments worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in a range of commodity related instruments, principally comprising swaps on eligible commodity financial indices, commodities through eligible assets (as described under the definition of "Alternative Asset Classes" in Appendix III of this Prospectus) and to a lesser extent in equity and equity related securities in commodity related industries worldwide.

The Fund may be exposed to a range of commodity sectors from time to time but the Investment Manager anticipates that the Fund will be primarily invested in the energy, agriculture and metals sectors.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund intends to use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. In particular, the aim is to use total return swaps on a continuous basis to gain net long exposure to commodity indices, although the swaps may contain both long and short exposures. The gross exposure of total return swaps will not exceed 450% and is expected to remain within the range of 150% to 250% of the Net Asset Value.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the Bloomberg Commodity Total Return Index (BCOMTR Index). The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Further Information

The Fund is classified as an "Alternative Asset Allocation" fund

Risk Considerations

Risk Management Method

Absolute Value at Risk

Expected Leverage

450% of the total net assets

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the absolute VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the absolute VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 5%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1.00%
Z Shares	None	None	Up to 1.00%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Dynamic Income

Investment Objective

The Fund aims to provide income and capital growth after fees have been deducted by investing in a diversified range of assets and markets worldwide including emerging markets.

Investment Policy

The Fund is actively managed and invests directly, or indirectly through derivatives, in equity and equity-related securities, fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging markets, in various currencies and Alternative Asset Classes (subject to any restrictions provided in Appendix I).

The Fund may invest:

- up to 40% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) and unrated securities.
- up to 30% of its assets in emerging markets.
- up to 20% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.
- Up to 15% of its assets in Alternative Asset Classes

The Fund may invest directly in China H-Shares and may invest less than 15% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext. The Fund may also invest up to 10% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund may invest in Money Market Investments and hold cash. The Fund may invest up to 10% of its assets in open-ended Investment Funds.

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend* of MSCI World Index (USD), MSCI Emerging Market Index (USD), Bloomberg Global Aggregate Corporate Bond Index (USD), Bloomberg Global High Yield excl CMBS & EMD 2% Index (USD), ICE BofA US Treasury Index (USD), JPM GBI Emerging Market Index - EM Local (USD), JPM EMBI Index EM Hard Currency (USD), FTSE Global Convertible Bonds Index (USD), based on the Investment Manager's rating criteria.

*The blend will evolve over time in line with the actual asset allocation of the Fund.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fundcentre

Benchmark

The Fund does not have a target benchmark. The Fund's income and volatility should be compared against 60% MSCI AC World Index (USD), 40% Bloomberg Global Aggregate USD. The comparator benchmark is included for income and volatility comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to have limited overlap with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for income and volatility purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Multi-Asset Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

Long and short positions gained through index, bond and equity total return swaps may increase exposure to credit-related risks.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

A detailed description of the risks linked to asset-backed securities and mortgage-backed securities can be found in Appendix II of this Prospectus.

Risks related to emerging markets investments can be found under “Emerging and Less Developed Markets Securities Risks” in Appendix II of this prospectus.

Profile of the Typical Investor

The Fund is a medium risk vehicle that will be suitable for Investors who are seeking long term growth potential and income through investment in a diversified portfolio offering exposure to a range of asset classes.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 4%	None	1.25%
AX Shares	Up to 4%	None	1.25%
A1 Shares	Up to 3%	0.50%	1.25%
B Shares	None	0.60%	1.25%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.25%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors’ discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

Schroder International Selection Fund Dynamic Opportunities

Investment Objective

The Fund aims to provide capital growth in excess of 50% MSCI AC World EUR and 50% Bloomberg Barclays Global Aggregate Bond index (hedged to EUR) over a three to five year period after fees have been deducted by investing in a diversified range of assets and markets worldwide.

Investment Policy

The Fund is actively managed and invests directly, or indirectly through derivatives, in equity and equity-related securities, fixed income securities and Alternative Asset Classes (subject to any restrictions provided in Appendix I).

Fixed income securities include fixed or floating rate securities such as government bonds, corporate bonds, emerging market debt, directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade (fixed and floating rate) securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies), convertible bonds and inflation linked bonds.

The Fund may invest up to 20% of its assets indirectly in commodities. The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk, mitigating losses in falling markets or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, total return swaps and contracts for difference will be used on a continuous basis to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund may (exceptionally) hold up to 100% of its assets in cash and Money Market Investments. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR. The Fund may invest up to 10% of its assets in open-ended Investment Funds.

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend* of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), Thomson Reuters Global Convertible Bonds Index (hedged to EUR), based on the Investment Manager's rating system.

*The blend will evolve over time in line with the actual asset allocation of the Fund.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed 50% MSCI AC World EUR and 50% Bloomberg Barclays Global Aggregate Bond Index (hedged to EUR) and compared against the Morningstar EUR Flexible Allocation – Global Category. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Multi Asset Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Absolute Value at Risk (VaR)

Expected Leverage

225% of the total net assets

The expected level of leverage may be higher when there is unusually high or low volatility.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the absolute VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the absolute VaR approach please see Appendix 1. In addition to this regulatory restriction,

Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking long-term capital growth potential through investment in a diversified portfolio offering exposure to a range of asset classes.

The Fund is a medium risk vehicle that may be suitable for Investors who are seeking long-term capital growth potential through investment in a diversified portfolio offering exposure to a range of asset classes.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management (Europe) S.A. – German Branch
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 4%	None	1.25%
AX Shares	Up to 4%	None	1.25%
A1 Shares	Up to 3%	0.50%	1.25%
B Shares	None	0.60%	1.25%
C Shares	Up to 1%	None	0.60%
CN Shares	Up to 3%	None	0.60%
CX Shares	Up to 1%	None	0.60%
D Shares	None	1.00%	1.25%
E Shares	Up to 1%	None	0.30%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.60%
Z Shares	None	None	Up to 0.60%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

Schroder International Selection Fund Emerging Asia

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Emerging Markets Asia (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in the emerging markets in Asia.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in the emerging markets in Asia.

The Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor (QFI) Scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI Emerging Markets Asia (Net TR) index and compared against the Morningstar Asia ex Japan Equities Category. The Fund's investment universe is expected to overlap materially, directly or indirectly, with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The Fund may invest in mainland China through QFI schemes or Regulated Markets. Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status and QFI quota.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Hong Kong) Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Emerging Europe

Investment Objective

The Fund aims to provide capital growth by investing in equity and equity related securities of Central and Eastern European companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in a concentrated portfolio of equity and equity related securities of Central and Eastern European companies, including the markets of the former Soviet Union and the Mediterranean emerging markets. The Fund may also invest in equity and equity related securities of North African and Middle Eastern companies.

The Fund typically holds 30-50 companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI EFM Europe + CIS (E+C) Index (Net TR), based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

For specific information regarding Russia, please refer to the Section "Special Information" below.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against its comparator benchmark, being the MSCI EFM Europe + CIS (E+C) Index (Net TR). The Fund's investment universe is expected to overlap materially, directly or indirectly, with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark in order to take advantage of specific investment opportunities.

The comparator benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Special Information

In the context of the unprecedented geo-political situation caused by Russia's invasion of the Ukraine and the resultant impact of sanctions and the actions of governments and market counterparties on certain Russian issuers and assets, the following additional information is provided:

(A) To permit the orderly functioning of the Fund, Russian equities and equity related securities (the "Russian Assets") held by the Fund as of 25 February 2022, have been ring fenced within the Fund (from an accounting perspective for the purposes of the calculation of the NAV) and allocated to two newly created share classes. Shares in such new classes, named X9 and Y9, have been allocated to shareholders on 18 July 2022 in a manner to reflect their respective percentage holdings in the Fund's total NAV as of 25 February 2022. No NAV per share is formally published (although an informative NAV will be made available on Schroders webpage). Subscriptions, redemptions and switching of shares is not possible.

(B) Following the allocation of the Russian Assets to the new share classes that have been issued only to existing shareholders as at 18 July 2022, the Fund (through its share classes listed in the table above) has no more exposure to the Russian Assets and the Fund will not make any further investments in Russian equities and equity related securities until further notice.

(C) The Fund will not include or consider the Russian Assets held within the X9 and Y9 share classes in relation to the promotion of its environmental and/or social characteristics (within the meaning of Article 8 SFDR).

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Emerging Market Bond

Investment Objective

The Fund aims to provide capital growth and income in excess of the JP Morgan Emerging Market Blend Equal Weighted index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies from the emerging markets.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in various currencies and issued by governments, government agencies, supra-nationals and companies from the emerging markets.

The Fund may invest:

- up to 20% of its assets in asset-backed securities and mortgage-backed securities; and
- in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may invest up to 10% of its assets in mainland China through the Qualified Foreign Investor ("QFI") scheme or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund intends to use derivatives (including total return swaps) with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis including but not limited to periods of rising inflation or increases in interest rates. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on fixed and floating rate securities. The gross exposure of total return swaps and contracts for difference will not exceed 5% and is expected to remain within the range of 0% to 5% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund maintains a higher overall sustainability score than the JP Morgan Emerging Market Blend Equal Weighted index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the JP Morgan Emerging Market Blend Equal Weighted index. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. However, the Fund will likely reflect certain features of the target benchmark (namely credit quality/duration, currency exposure/ exposure to particular issuers). The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Long and short positions gained through bond total return swaps may increase exposure to credit-related risks. The Fund may invest in mainland China through QFI schemes or Regulated Markets. Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status and QFI quota.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors

may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management North America Inc.
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.00%
AX Shares	Up to 3%	None	1.00%
A1 Shares	Up to 2%	0.50%	1.00%
B Shares	None	0.50%	1.00%
C Shares	Up to 1%	None	0.60%
CN Shares	Up to 3%	None	0.60%
CX Shares	Up to 1%	None	0.60%
D Shares	None	1.00%	1.00%
E Shares	Up to 1%	None	0.30%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.60%
Z Shares	None	None	Up to 0.60%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Emerging Markets Hard Currency

Investment Objective

The Fund aims to provide capital growth and income in excess of the JP Morgan EMBI Global Diversified index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities denominated in hard currencies issued by governments, government agencies, supra-nationals and companies from the emerging markets.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in hard currencies and issued by governments, government agencies, supra-nationals and companies from the emerging markets. Hard currency denominated securities refers to securities denominated in US Dollar, Euro, Sterling, Japanese Yen and Swiss Franc.

The Fund may invest:

- up to 20% of its assets in asset-backed securities and mortgage-backed securities;
- in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for nonrated bonds); and
- up to 20% of its assets in securities issued by companies.

The Fund may invest in mainland China through the Qualified Foreign Investor ("QFI") scheme or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to periods of rising inflation or increases in interest rates. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on fixed and floating rate securities. The gross exposure of total return swaps and contracts for difference will not exceed 10% and is expected to remain within the range of 0% to 5% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund maintains a higher overall sustainability score than the JP Morgan EMBI Global Diversified index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the JP Morgan EMBI Global Diversified index. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. However, the Fund will likely reflect certain features of the target benchmark (namely credit quality/duration, currency exposure/exposure to particular issuers). The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the benchmark in order to take advantage of specific investment opportunities. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Long and short positions gained through bond total return swaps may increase exposure to credit-related risks. The Fund may invest in mainland China through QFI schemes or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct). Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status, QFI quota, the CIBM and Bond Connect.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management North America Inc.
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.00%
AX Shares	Up to 3%	None	1.00%
A1 Shares	Up to 2%	0.50%	1.00%
B Shares	None	0.50%	1.00%
C Shares	Up to 1%	None	0.60%
CN Shares	Up to 3%	None	0.60%
CX Shares	Up to 1%	None	0.60%
D Shares	None	1.00%	1.00%
E Shares	Up to 1%	None	0.30%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.60%
Z Shares	None	None	Up to 0.60%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Emerging Markets Local Currency Bond

Investment Objective

The Fund aims to provide capital growth and income in excess of the JP Morgan GBI-EM Global Diversified index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities denominated in local currencies issued by emerging markets governments, government agencies, supra-nationals and companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in local currencies issued by governments, government agencies, supra-nationals and companies in emerging markets.

The Fund may invest in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for nonrated bonds).

The Fund may invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the JP Morgan GBI-EM Global Diversified index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the JP Morgan GBI-EM Global Diversified index. The Fund's investment universe is expected to overlap to a material extent with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the benchmark in order to take advantage of specific investment opportunities. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day

Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.00%
AX Shares	Up to 3%	None	1.00%
A1 Shares	Up to 2%	0.50%	1.00%
B Shares	None	0.50%	1.00%
C Shares	Up to 1%	None	0.60%
CN Shares	Up to 3%	None	0.60%
CX Shares	Up to 1%	None	0.60%
D Shares	None	1.00%	1.00%
E Shares	Up to 1%	None	0.30%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.60%
Z Shares	None	None	Up to 0.60%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Emerging Markets

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Emerging Markets 10/40 (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of emerging markets companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in emerging markets.

The Fund may invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI Emerging Markets 10/40 (Net TR) index. The Fund's investment universe is expected to overlap materially, directly or indirectly, with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day

Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Emerging Markets ex China

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Emerging Markets ex China 10/40 (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of emerging markets companies excluding China.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in emerging markets excluding China.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets ex China 10/40 (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI Emerging Markets ex China 10/40 (Net TR) index. The Fund's investment universe is expected to overlap materially, directly or indirectly, with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Emerging Markets Debt Total Return

Investment Objective

The Fund aims to provide capital growth and income after fees have been deducted by investing in fixed and floating rate securities issued by governments, government agencies, supra nationals and companies in emerging markets.

The Fund is designed to participate in rising markets while aiming to mitigate losses in falling markets through the use of cash and derivatives. The mitigations of losses cannot be guaranteed.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities, currencies and Money Market Investments in emerging markets. The fixed and floating rate securities are issued by governments, government agencies, supra-nationals and companies. The Fund may also hold cash.

In exceptional circumstances during periods of high market volatility, the Fund may hold up to 40% of its assets in deposits and Money Market Investments in developed markets. In such instances, the two-thirds referenced above will be measured against the Fund's assets excluding deposits and Money Market Investments in developed markets.

The Fund may invest in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Fund may invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds and warrants (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than 50% JPM GBI-EM Diversified Index and 50% JPM EMBI Diversified Index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against 50% JPM GBI-EM Diversified Index and 50% JPM EMBI Diversified Index. The comparator is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.50%
AX Shares	Up to 3%	None	1.50%
A1 Shares	Up to 2%	0.50%	1.50%
B Shares	None	0.50%	1.50%
C Shares	Up to 1%	None	0.90%
CN Shares	Up to 3%	None	0.90%
CX Shares	Up to 1%	None	0.90%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.45%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.90%
Z Shares	None	None	Up to 0.90%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Emerging Markets Equity Alpha

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Emerging Markets 10/40 (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in emerging and frontier markets countries worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in emerging and frontier market countries worldwide.

'Alpha' funds invest in companies in which the Investment Manager has a high conviction that the current share price does not reflect the future prospects for that business.

The Fund may invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI Emerging Markets 10/40 (Net TR) index. The Fund's investment universe is expected to overlap materially, directly or indirectly, with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

Risks related to emerging and frontier markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD

Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.40%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund EURO Bond

Investment Objective

The Fund aims to provide capital growth and income in excess of the Bloomberg EURO Aggregate index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities denominated in Euro.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in Euro issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund may invest up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds). The Fund may invest up to 10% of its assets in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Bloomberg EURO Aggregate index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the Bloomberg EURO Aggregate index. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. However, the Fund will likely reflect certain features of the target benchmark (namely credit quality/duration, currency exposure/exposure to particular issuers). The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Mainstream Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Relative Value-at-Risk (VaR)

VaR Benchmark

Bloomberg EURO Aggregate index. This index tracks fixed-rate, investment-grade Euro-denominated securities.

Expected Leverage

200% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the relative VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the relative VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	0.75%
AX Shares	Up to 3%	None	0.75%
A1 Shares	Up to 2%	0.50%	0.75%
B Shares	None	0.50%	0.75%
C Shares	Up to 1%	None	0.375%
CN Shares	Up to 3%	None	0.375%
CX Shares	Up to 1%	None	0.375%
D Shares	None	1.00%	0.75%
E Shares	Up to 1%	None	0.25%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.50%
Z Shares	None	None	Up to 0.50%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund EURO Corporate Bond

Investment Objective

The Fund aims to provide capital growth and income in excess of the ICE BofA Euro Corporate index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities denominated in Euro issued by companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in or hedged to Euro issued by companies and other non-sovereign bond issuers, governments, government agencies and supra-nationals worldwide.

The Fund may invest:

- up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- up to 20% of its assets in sovereign government bonds;
- up to 20% of its assets in asset-backed securities and mortgage-backed securities; and
- up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the ICE BofA Euro Corporate index. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. However, the Fund will likely reflect certain features of the target benchmark (namely credit quality/duration or exposure to particular issuers). The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Further Information

The Fund is categorised as "Specialist Bond Fund".

The duration hedged Share Classes of the Fund are closed to subscriptions or switches in from new Investors of the Fund as well as from existing shareholders.

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Relative Value-at-Risk (VaR)

VaR Benchmark

ICE BofA Euro Corporate Index. This index tracks the performance of EUR denominated investment grade corporate debt publicly issued in the Eurobond or Euro member domestic markets.

Expected Leverage

150% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the relative VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the relative VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

A detailed description of the risks linked to contingent convertible bonds, below-investment grade securities, asset-backed securities and mortgage-backed securities can be found in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management (Europe) S.A. – German Branch
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	0.75%
AX Shares	Up to 3%	None	0.75%
A1 Shares	Up to 2%	0.50%	0.75%
B Shares	None	0.50%	0.75%
C Shares	Up to 1%	None	0.45%
CN Shares	Up to 3%	None	0.45%
CX Shares	Up to 1%	None	0.45%
D Shares	None	1.00%	0.75%
E Shares	Up to 1%	None	0.225%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.45%
Z Shares	None	None	Up to 0.45%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund EURO Credit Conviction

Investment Objective

The Fund aims to provide capital growth and income in excess of the iBoxx EUR Corporates BBB (TR) index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities denominated in Euro issued by companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in Euro issued by governments, government agencies, supra-nationals and companies, worldwide.

The Fund may invest:

- up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- up to 20% of its assets in sovereign government bonds;
- up to 20% of its assets in asset-backed securities and mortgage-backed securities; and
- up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds.

The Fund may also invest up one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may also invest in derivatives to create long and short exposure to the underlying assets of these derivatives. The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the iBoxx EUR Corporates BBB (TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the iBoxx EUR Corporates BBB (TR) index. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. However, the Fund will likely reflect certain features of the target benchmark (namely credit quality/duration, exposure to particular issuers). The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Relative Value-at-Risk (VaR)

VaR Benchmark

iBoxx Euro Corporate Bond BBB index. This index tracks the performance of EUR denominated investment grade corporate debt publicly issued in the Eurobond or Euro member domestic markets.

Expected Leverage

150% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the relative VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the relative VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not

reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management (Europe) S.A. – German Branch
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.00%
AX Shares	Up to 3%	None	1.00%
A1 Shares	Up to 2%	0.50%	1.00%
B Shares	None	0.50%	1.00%
C Shares	Up to 1%	None	0.50%
CN Shares	Up to 3%	None	0.50%
CX Shares	Up to 1%	None	0.50%
D Shares	None	1.00%	1.00%
E Shares	Up to 1%	None	0.25%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.50%
Z Shares	None	None	Up to 0.50%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund EURO Credit Conviction Short Duration

Investment Objective

The Fund aims to provide income and capital growth in excess of the ICE BofA 1-5 Year BBB Euro Corporate total return index over a three to five year period after fees have been deducted by investing in fixed and floating rate securities denominated in Euro issued by companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets, long (directly or indirectly through derivatives) or short (through derivatives), in fixed and floating rate securities denominated in Euro issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund may invest:

- up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- up to 20% of its assets in sovereign government bonds;
- up to 40% of its assets in asset-backed securities and mortgage-backed securities; and
- up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds.

The Fund may invest in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may also invest in derivatives to create long and short exposure to the underlying assets of these derivatives. The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA 1-5 Year BBB Euro Corporate total return index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark, being to exceed the ICE BofA 1-5 Year BBB Euro Corporate Index total return index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark.

The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Relative Value-at-Risk (VaR)

VaR Benchmark

ICE BofA 1-5 Year BBB Euro Corporate total return index

This index tracks the performance of EUR denominated investment grade corporate debt publicly issued in the Eurobond or Euro member domestic markets.

Expected Leverage

150% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the relative VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the relative VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all share classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management (Europe) S.A. – German Branch
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.00%
AX Shares	Up to 3%	None	1.00%
A1 Shares	Up to 2%	0.50%	1.00%
B Shares	None	0.30%*	1.20%*
C Shares	Up to 1%	None	0.50%
CN Shares	Up to 3%	None	0.50%
CX Shares	Up to 1%	None	0.50%
D Shares	None	1.00%	1.00%
E Shares	Up to 1%	None	0.25%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.50%
Z Shares	None	None	Up to 0.50%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

**** As of 5 November 2026 the Annual Distribution Charge for B shares will increase from 0.30% to 0.50% and the Annual Management Charge will decrease from 1.20% to 1.00%.***

Schroder International Selection Fund EURO Equity

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI European Monetary Union (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in countries participating in the European Monetary Union.

Investment Policy

The Fund is actively managed and invests at least 75% of its assets in equity and equity related securities of companies that are incorporated in the European Economic Area. The Fund invests at least two-thirds of its assets in equity and equity related securities of companies in countries whose currency is the Euro.

The Fund may also invest up one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than MSCI European Monetary Union (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI European Monetary Union (Net TR) index and compared against the Morningstar Eurozone Large Cap Equity Category. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Mainstream Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing 75% of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking long term growth potential offered through investment in equities.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility [2]	PEA eligible

General Share Class Features

Share Classes	Initial Charge [3]	Annual Distribution Charge [4]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] To ensure eligibility for the French Plan d'Epargne en Actions (PEA), the Fund invests at least 75% of its assets in equity securities issued by companies which have their head office in the European Union, or in an EEA state that has signed a tax agreement with France, including a clause on combating fraud and tax avoidance.

[3] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[4] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund EURO Government Bond

Investment Objective

The Fund aims to provide income and capital growth in excess of the ICE BofA Euro Government index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities issued or guaranteed by European governments, agencies or supra-national institutions of European countries denominated in or hedged to Euro.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities with an investment grade or, directly or indirectly (including via credit default swaps and credit default swap indices), with a sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) issued or guaranteed by European governments, agencies or supra-national institutions of European countries denominated in or hedged to Euro.

The Fund may also invest up one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Government index based on the Investment Manager’s rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability-Related Disclosure” on the Fund’s webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the ICE BofA Euro Government index. The Fund’s investment universe is expected to overlap to a limited extent with the components of the target benchmark. However, the Fund will likely reflect certain features of the target benchmark (namely credit quality/duration, currency exposure/exposure to particular issuers). The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund’s portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Mainstream Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Relative Value-at-Risk (VaR)

VaR Benchmark

ICE BofA Euro Government Index. This index tracks the performance of EUR denominated sovereign debt publicly issued by Euro member countries in either the Eurobond or the issuer's own domestic market.

Expected Leverage

150% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the relative VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the relative VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund’s investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	0.40%
AX Shares	Up to 3%	None	0.40%
A1 Shares	Up to 2%	0.50%	0.40%
B Shares	None	0.50%	0.40%
C Shares	Up to 1%	None	0.20%
CN Shares	Up to 3%	None	0.20%
CX Shares	Up to 1%	None	0.20%
D Shares	None	1.00%	0.40%
E Shares	Up to 1%	None	0.10%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.20%
Z Shares	None	None	Up to 0.20%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund EURO High Yield

Investment Objective

The Fund aims to provide capital growth and income in excess of the ICE BofA Euro High Yield Constrained index after fees have been deducted over a three to five year period by investing in sub-investment grade fixed and floating rate securities denominated in Euro issued by companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in EUR issued by governments, government agencies, supra-nationals and companies worldwide. The Fund also invests at least two-thirds of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade fixed and floating rate securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Fund may invest up to 15% of its assets in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may also invest in derivatives to create long and short exposure to the underlying assets of these derivatives. The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro High Yield Constrained index, based on the Investment Manager’s rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability-Related Disclosure” on the Fund’s webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the ICE BofA Euro High Yield Constrained index. The Fund’s investment universe is expected to overlap to a limited extent with the components of the target benchmark. However, the Fund will likely reflect certain features of the target benchmark (namely credit quality/duration, exposure to particular issuers). The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund’s portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund’s investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day

Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.00%
AX Shares	Up to 3%	None	1.00%
A1 Shares	Up to 2%	0.50%	1.00%
B Shares	None	0.50%	1.00%
C Shares	Up to 1%	None	0.60%
CN Shares	Up to 3%	None	0.60%
CX Shares	Up to 1%	None	0.60%
D Shares	None	1.00%	1.00%
E Shares	Up to 1%	None	0.30%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.60%
Z Shares	None	None	Up to 0.60%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charge in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund EURO Short Term Bond

Investment Objective

The Fund aims to provide capital growth and income in excess of the Bloomberg Euro Aggregate (1-3 Y) index after fees have been deducted over a three to five year period by investing in short term fixed and floating rate securities denominated in Euro.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in short term fixed and floating rate securities with an investment grade or directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) denominated in Euro, issued by governments, government agencies, supra-nationals and companies worldwide.

The average duration of the securities held by the Fund does not exceed 3 years and the effective maturity of any such security does not exceed 5 years.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Bloomberg Euro Aggregate (1-3 Y) index, based on the Investment Manager’s rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability-Related Disclosure” on the Fund’s webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the Bloomberg Euro Aggregate (1-3 Y) index. The Fund’s investment universe is expected to overlap to a limited extent with the components of the target benchmark. However, the Fund will likely reflect certain features of the target benchmark (namely credit quality/duration, currency exposure/exposure to particular issuers). The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund’s portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Mainstream Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Relative Value-at-Risk (VaR)

VaR Benchmark

Bloomberg Euro Aggregate 1-3 Year index. This index is composed of fixed-rate euro-zone government and corporate bonds with a residual maturity comprised between 1 and 3 years.

Expected Leverage

200% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the relative VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the relative VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	0.50%
AX Shares	Up to 3%	None	0.50%
A1 Shares	Up to 2%	0.50%	0.50%
B Shares	None	0.10%	0.50%
C Shares	Up to 1%	None	0.20%
CN Shares	Up to 3%	None	0.20%
CX Shares	Up to 1%	None	0.20%
D Shares	None	1.00%	0.50%
E Shares	Up to 1%	None	0.10%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.20%
Z Shares	None	None	Up to 0.20%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charge in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund European Dividend Maximiser

Investment Objective

The Fund aims to deliver an income of 7% per year by investing in equities or equity related securities of European companies. This is not guaranteed and could change depending on market conditions.

Investment Policy

The Fund is actively managed and invests at least two thirds of its assets in equities or equity related securities of European companies, which are selected for their income and capital growth potential. To enhance the yield of the Fund, the Investment Manager selectively sells short dated call options over individual securities held by the Fund, generating extra income by agreeing strike prices above which potential capital growth is sold.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Europe (Net TR) index, based on the Investment Manager's rating system. It also maintains a carbon intensity below that of the MSCI Europe (Net TR) index.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against the income target of 7% per year, and compared against the MSCI Europe (Net TR) index and the Morningstar Europe Equity Income Category. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. In relation to the MSCI Europe (Net TR) index, the Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the MSCI Europe (Net TR) index. The Investment Manager will invest in companies or sectors not included in the MSCI Europe (Net TR) index. The benchmark (s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The income target has been selected because the Investment Manager deploys strategies that aim to deliver the level of income stated in the investment objective. Any comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

This Fund makes use of derivatives in a way that is fundamental to its investment objective. It is expected that the strategy will typically underperform a similar portfolio with no derivative overlay in periods when the underlying stock prices are rising, and outperform when the underlying stock prices are falling.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day

Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund European Smaller Companies

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Europe Small Cap (NDR) index after fees have been deducted over a three to five year period by investing in equity or equity related securities of small-sized European companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small-sized European companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the European equities market.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Europe Small Cap (NDR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI Europe Small Cap (NDR) index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	0.75%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund European Special Situations

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies.

Investment Policy

The Fund is actively managed and invests in a select portfolio of securities in special situations, where the Investment Manager believes a special situation to be a company whose future prospects are not fully reflected in its valuation.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than MSCI Europe Net TR index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI Europe (Net TR) index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None.
Redemption Charge	None
PEA / PIR Eligibility	No

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	0.75%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund European Sustainable Equity

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies which meet the Investment Manager's sustainability criteria.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of European companies.

The Fund maintains a higher overall sustainability score than MSCI Europe (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI Europe (Net TR) index and compared against the Morningstar Europe Large Cap Blend Equity Category. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg Time on Dealing Day
Dealing Frequency	Daily on Dealing Day

Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.25%
AX Shares	Up to 5%	None	1.25%
A1 Shares	Up to 4%	0.50%	1.25%
B Shares	None	0.60%	1.25%
C Shares	Up to 1%	None	0.625%
CN Shares	Up to 3%	None	0.625%
CX Shares	Up to 1%	None	0.625%
D Shares	None	1.00%	1.25%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.625%
Z Shares	None	None	Up to 0.625%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund European Value

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equities of European companies. The Fund typically holds 30 - 70 companies.

The Fund applies a disciplined value investment approach, seeking to invest in a select portfolio of companies that the Investment Manager believes are significantly undervalued relative to their long-term earnings potential.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund invests at least 35% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective(s).

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability-Related Disclosure” on the Fund’s webpage https://schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund’s performance should be assessed against its target benchmark, being to exceed the MSCI Europe (Net TR) index and compared against the MSCI Europe Value (Net TR) index and the Morningstar Europe Flex Cap Equity Category. The Fund’s investment universe is expected to overlap to a limited extent with the components of the target benchmark and the MSCI Europe Value (Net TR) index. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund’s assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund’s portfolio and performance may deviate from the target benchmark or the MSCI Europe Value (Net TR) index. The Investment Manager will invest in companies or sectors not included in the target benchmark or the MSCI Europe Value (Net TR) index in order to take advantage of specific investment opportunities. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. Any comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund’s investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund’s investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day

Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Frontier Markets Equity

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Frontier Emerging Markets (FEM) index (Net TR) with emerging markets capped at 10% after fees have been deducted over a three to five year period by investing in equity and equity related securities of frontier emerging markets companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of frontier emerging markets companies worldwide.

The Fund typically holds 50-70 companies.

'Frontier emerging markets' are countries included in the MSCI Frontier Emerging Markets (FEM) index or any other recognised frontier markets financial index, or additional countries that the Investment Manager deems to be frontier emerging market countries.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI Frontier Emerging Markets (FEM) index (Net TR) with emerging markets capped at 10**%**. The Fund's investment universe is expected to overlap materially, directly or indirectly, with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Further Information

The Fund is categorised as "Specialist Equity Fund".

Frontier emerging markets are countries included in the MSCI Frontier Emerging Markets (FEM) index or any other recognised frontier markets financial index, or additional countries that the Investment Manager deems to be frontier emerging market countries.

Risk Considerations

Specific Risk Considerations

Risks related to emerging and frontier markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Alternative Energy

Investment Objective

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide that the Investment Manager believes are associated with the global transition towards lower-carbon sources of energy and which the Investment Manager deems to be sustainable investments.

Investment Policy

The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments in companies that (a) generate at least 50% of their revenue from activities that contribute towards the global transition towards lower-carbon sources of energy, such as lower-carbon energy production, distribution, storage, transport and associated supply chain, material provider and technology companies or (b) generate a lower percentage of their revenue from these activities where the Investment Manager considers they are playing critical roles in the transition based on the company's capital expenditure, operating expenditure or market share and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Fund may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes (including delta one securities) and warrants) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre which includes companies that generate any revenue from fossil fuel and nuclear power.

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of companies worldwide. The Fund typically holds fewer than 60 companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against the MSCI Global Alternative Energy (Net TR) index and the MSCI AC World (Net TR) index. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap to a limited extent with the components of the comparator benchmarks. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmarks. The Investment Manager will invest in companies or sectors not included in the comparator benchmarks. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Any comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The Fund has the objective of sustainable investment (within the meaning of Article 9 SFDR). A Fund with this objective may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also

invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Bond

Investment Objective

The Fund aims to provide capital growth and income in excess of the Bloomberg Global Aggregate Bond index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) issued by governments, government agencies, supra-nationals and companies worldwide in various currencies.

The Fund may invest:

- up to 10% of its assets in contingent convertible bonds;
- up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds); and
- up to 40% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Fund may invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Bloomberg Global Aggregate Bond index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the Bloomberg Global Aggregate Bond index. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. However, the Fund will likely reflect certain features of the target benchmark (namely credit quality/duration, currency exposure/exposure to particular issuers). The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Mainstream Bond Fund".

The Investment Manager of the Fund undertakes the hedging of the Shares of the hedged Share Classes by considering the relevant underlying currency exposures within the benchmark of the Fund. Performance of these hedged Share Classes may therefore vary significantly from equivalent Share Classes in the Fund Currency.

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Relative Value-at-Risk (VaR)

VaR Benchmark

Bloomberg Global Aggregate Bond Index. This USD un-hedged index provides a broad-based measure of the global investment grade fixed-rate debt markets.

Expected Leverage

400% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the relative VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the relative VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	0.75%
AX Shares	Up to 3%	None	0.75%
A1 Shares	Up to 2%	0.50%	0.75%
B Shares	None	0.50%	0.75%
C Shares	Up to 1%	None	0.50%
CN Shares	Up to 3%	None	0.50%
CX Shares	Up to 1%	None	0.50%
D Shares	None	1.00%	0.75%
E Shares	Up to 1%	None	0.25%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.50%
Z Shares	None	None	Up to 0.50%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Cities

Investment Objective

The Fund aims to provide capital growth and income in excess of the FTSE EPRA NAREIT Developed index (Net TR, USD) after fees have been deducted over a three to five year period by investing in equity and equity related securities of real estate companies worldwide that own assets in global cities and which the Investment Manager deems to be sustainable investments.

Investment Policy

The Fund is actively managed and invests its assets in sustainable investments, which are investments in real estate companies that contribute to an urban environment that provide a good quality of life for residents while minimising costs to the planet and using resources efficiently. Each real estate company is classified as sustainable if (i) it achieves a score of at least 50% on both the performance and management components of the GRESB Scorecard (the "Scorecard")[1] and thereby achieves the threshold for GRESB's Green Star designation or (ii) Schroders determines that the company would achieve a score of at least 50% on each component if additional robust evidence was available within the Scorecard and included in the calculation of the score. The Fund may also invest its assets in investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund invests at least 90% of its assets in equity and equity related securities of sustainable real estate companies worldwide which generate the majority of their earnings from real estate investment related activities and own assets in global cities. These are cities that have positive characteristics such as economic strength, strong transport infrastructure, high quality educational institutions and an innovative business community, based on the Investment Manager's assessment.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to exceed the FTSE EPRA NAREIT Developed index (Net TR, USD). The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has the objective of sustainable investment (within the meaning of Article 9 SFDR). A Fund with this objective may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

[1] GRESB 2025, All intellectual property rights to this data belong exclusively to GRESB B.V. All rights reserved. GRESB B.V. has no liability to any person (including a natural person, corporate or unincorporated body) for any losses, damages, costs, expenses or other liabilities suffered as a result of any use of or reliance on any of the information which may be attributed to it.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [2]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [3]	Annual Distribution Charge [4]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] Different subscription and redemption procedures may apply if applications are made through Distributors.

[3] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[4] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Climate Change Equity

Investment Objective

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which the Investment Manager believes will benefit from efforts to accommodate or limit the impact of global climate change and which meet the Investment Manager's sustainability criteria.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Fund maintains a higher overall level of avoided emissions than MSCI All Country World (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may invest directly in China H-Shares and may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against the MSCI All Country World (Net TR) index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day

Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

1 Different subscription and redemption procedures may apply if applications are made through Distributors.

2 The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

3 Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Climate Leaders

Investment Objective

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which the Investment Manager believes will contribute to the global reduction of carbon usage, in line with the Paris Agreement to limit climate change, and which meet the Investment Manager's sustainability criteria.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Fund maintains a higher overall sustainability score than the MSCI All Country World (Net TR) Index, based on the Investment Manager's rating system.

The Fund invests in companies that have set targets in relation to the decarbonisation of their business consistent with limiting climate change to 1.5°C warming or less under the Paris Agreement.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Fund may invest in companies that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to two years.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may invest directly in China H-Shares and may invest up to 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against the MSCI AC World (Net TR) Index and the MSCI All Country World Climate Paris Aligned Index. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap materially with the components of the comparator benchmarks. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmarks. The Investment Manager will invest in companies or sectors not included in the comparator benchmarks. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The comparator benchmarks have been selected because the Investment Manager believes that the benchmarks are a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long-term returns than minimising possible short-term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day

Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Distribution Charge and Management Fee percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Convertible Bond

Investment Objective

The Fund aims to provide capital growth in excess of the FTSE Global Focus Hedged Convertible Bond index (USD) after fees have been deducted over a three to five year period by investing in convertible securities issued by companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in a diversified range of convertible securities and other similar transferable securities, such as convertible preference securities, exchangeable bonds or exchangeable notes issued by companies worldwide. The Fund may also invest in fixed and floating rate securities, equity and equity related securities of companies worldwide.

Convertible bonds are typically corporate bonds that can be converted into shares at a given price. As such, the Investment Manager believes investors can gain exposure to global equity markets with the defensive benefits and less volatile characteristics of a bond investment.

The Fund may invest in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the FTSE Global Focus Hedged Convertible Bond index (USD), based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the FTSE Global Focus Hedged Convertible Bond index (USD). The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day

Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.25%
AX Shares	Up to 3%	None	1.25%
A1 Shares	Up to 2%	0.50%	1.25%
B Shares	None	0.50%	1.25%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.25%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Corporate Bond

Investment Objective

The Fund aims to provide income and capital growth in excess of the Bloomberg Global Aggregate – Corporate index hedged to USD after fees have been deducted over a three to five year period by investing in fixed and floating rate securities issued by companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in various currencies and issued by companies worldwide.

The Fund invests in the full credit spectrum of fixed income investments. The Fund may invest:

- up to 40% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);up to 20% of its assets in securities issued by governments and government agencies; and
- up to 10% of its assets in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may use leverage.

The Fund maintains a higher overall sustainability score than the Bloomberg Global Aggregate – Corporate index Hedged to USD, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the Bloomberg Global Aggregate – Corporate index Hedged to USD and compared against the Morningstar Global Corporate Bond Category Hedged to USD. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Relative Value-at-Risk (VaR)

VaR Benchmark

Barclays Global Aggregate Credit Component USD hedged Index. This USD hedged index provides a broad-based measure of the global investment-grade fixed income markets. This index excludes sovereign and securitised securities.

Expected Leverage

200% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the relative VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the relative VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not

reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management North America Inc.
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	0.75%
AX Shares	Up to 3%	None	0.75%
A1 Shares	Up to 2%	0.50%	0.75%
B Shares	None	0.50%	0.75%
C Shares	Up to 1%	None	0.45%
CN Shares	Up to 3%	None	0.45%
CX Shares	Up to 1%	None	0.45%
D Shares	None	1.00%	0.75%
E Shares	Up to 1%	None	0.225%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.45%
Z Shares	None	None	Up to 0.45%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Credit High Income

Investment Objective

The Fund aims to provide capital growth and income by investing in fixed and floating rate securities issued by governments and companies worldwide. The Fund aims to mitigate losses in falling markets. The mitigation of losses cannot be guaranteed.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries.

The Fund may invest:

- in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- up to 40% of its assets in asset-backed securities and mortgage-backed securities (including in agency mortgage-backed securities and with a maximum of 20% of the Fund's assets in non-agency mortgage-backed securities and in asset-backed securities);
- up to 15% of its assets in convertible bonds (including contingent convertible bonds);
- up to 10% of its assets in open-ended Investment Funds; and
- in Money Market Investments and hold cash.

The Investment Manager aims to mitigate losses by diversifying the Fund's asset allocation away from areas of the market identified as having a high risk of material negative return.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, and warrants (subject to the restrictions provided in Appendix I).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse ex Treasury BBB+ to CCC+ USD, EUR, GBP index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against the Bloomberg Multiverse ex Treasury BBB+ to CCC+ USD, EUR, GBP index, the Bloomberg Global High Yield USD index, and the JP Morgan EMBI Global Total Return index. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap to a limited extent with the components of the comparator benchmarks. However, the Fund will likely reflect certain features of the comparator benchmark (namely credit quality/duration, currency exposure/exposure to particular issuers). The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmarks. The Investment Manager will invest in companies or sectors not included in the comparator benchmarks.

Any comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Absolute Value at Risk (VaR)

Expected Leverage

500% of the total net assets

The expected level of leverage may be higher when there is unusually high or low volatility.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the absolute VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the absolute VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

A detailed description of the risks linked to contingent convertible bonds, below-investment grade securities, asset-backed securities and mortgage-backed securities can be found in Appendix II of this Prospectus.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.20%
AX Shares	Up to 3%	None	1.20%
A1 Shares	Up to 2%	0.50%	1.20%
B Shares	None	0.50%	1.20%
C Shares	Up to 1%	None	0.60%
CN Shares	Up to 3%	None	0.60%
CX Shares	Up to 1%	None	0.60%
D Shares	None	1.00%	1.20%
E Shares	Up to 1%	None	0.30%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.60%
Z Shares	None	None	Up to 0.60%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Credit Income

Investment Objective

The Fund aims to provide income and capital growth by investing in fixed and floating rate securities issued by governments and companies worldwide. The Fund aims to mitigate losses in falling markets. The mitigation of losses cannot be guaranteed.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries.

The Fund may invest:

- in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- less than 30% of its assets in asset-backed securities and mortgage-backed securities (including agency mortgage-backed securities and with a maximum of 10% of the Fund's assets in non-agency mortgage-backed securities and asset-backed securities);
- up to 15% of its assets in convertible bonds (including contingent convertible bonds); and
- up to 10% of its assets in open-ended Investment Funds.

The Investment Manager aims to mitigate losses by diversifying the Fund's asset allocation away from areas of the market identified as having a high risk of material negative return.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against the Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index, the Bloomberg Global Aggregate Corporate USD index, the Bloomberg Global High Yield USD index, and the JP Morgan EMBI Global Total Return index. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap materially with the components of the comparator benchmarks. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmarks. The Investment Manager will invest in companies or sectors not included in the comparator benchmarks. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund. Any comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Absolute Value-at-Risk (VaR)

Expected Leverage

500% of the total net assets

The expected level of leverage may be higher when there is unusually high or low volatility.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the absolute VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the absolute VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of

certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking income, combined with capital growth opportunities in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.10%
AX Shares	Up to 3%	None	1.10%
A1 Shares	Up to 2%	0.50%	1.10%
B Shares	None	0.50%	1.10%
C Shares	Up to 1%	None	0.55%
CN Shares	Up to 3%	None	0.55%
CX Shares	Up to 1%	None	0.55%
D Shares	None	1.00%	1.10%
E Shares	Up to 1%	None	0.275%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.55%
Z Shares	None	None	Up to 0.55%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Credit Income Short Duration

Investment Objective

The Fund aims to provide capital growth and income by investing in fixed and floating rate securities issued by governments and companies worldwide. The Fund aims to reduce interest rate risk (as defined by duration) by focussing on fixed and floating rate securities with a duration of less than four years.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries. The Fund's strategy will have an overall duration of less than four years but this does not preclude the Fund from investing in securities with a duration above four years. The Investment Manager believes the short duration strategy should limit the overall level of interest rate risk.

The Fund may invest:

- in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- up to 40% of its assets in asset-backed securities and mortgage-backed securities (including in agency mortgage-backed securities and with a maximum of 20% of the Fund's assets in non-agency mortgage-backed securities and in asset-backed securities);
- up to 15% of its assets in convertible bonds (including contingent convertible bonds); and
- up to 10% of its assets in open-ended Investment Funds.

The Investment Manager also aims to mitigate losses by diversifying the Fund's asset allocation away from areas of the market identified as having a high risk of material negative return or principal risk.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund maintains a higher overall sustainability score than Bloomberg Multiverse 1-5 year TR ex-Treasury A+ to B- EUR hedged index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may also invest in derivatives to create long and short exposure to the underlying assets of these derivatives.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against 3 month EURIBOR (or alternative reference rate) and Bloomberg Multiverse 1-5 year TR ex-Treasury A+ to B- EUR hedged index. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. In relation to the Bloomberg Multiverse 1-5 year TR ex-Treasury A+ to B- EUR hedged index, the Fund's investment universe is expected to overlap to a limited extent with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the Bloomberg Multiverse 1-5 year TR ex-Treasury A+ to B- EUR hedged index. The Investment Manager will invest in companies or sectors not included in the Bloomberg Multiverse 1-5 year TR ex-Treasury A+ to B- EUR hedged index. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Any comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Schroders is in the process of assessing the potential alternatives to EURIBOR and will notify investors of any decision to move away from EURIBOR in due course.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Absolute Value at Risk (VaR)

Expected Leverage

300% of the total net assets

The expected level of leverage may be higher when there is unusually high or low volatility.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the absolute VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial

instrument as further described in the MIFID Directive. For further details on the absolute VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking income, combined with capital growth opportunities in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.00%
AX Shares	Up to 3%	None	1.00%
A1 Shares	Up to 2%	0.50%	1.00%
B Shares	None	0.50%	1.00%
C Shares	Up to 1%	None	0.40%
CN Shares	Up to 3%	None	0.40%
CX Shares	Up to 1%	None	0.40%
D Shares	None	1.00%	1.00%
E Shares	Up to 1%	None	0.275%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.40%
Z Shares	None	None	Up to 0.40%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Diversified Growth

Investment Objective

The Fund aims to provide long term capital growth and income of 3 Month Euribor + 4.5% per annum before fees have been deducted* over a five to seven year period by investing in a diversified range of assets and markets worldwide. The Fund aims to provide a volatility (a measure of how much the Fund's returns may vary over a year) of up to two-thirds that of global equities over the same period.

*For the target return after fees for each Share Class please visit the Schroder webpage: https://www.schroders.com/en-lu/lu/individual/funds-and-strategies/fund-administration/performance-targets-after-fees/

As of 5 November 2026 the Investment Objective section will change to:

The Fund aims to provide long term capital growth and income over a five to seven year period by investing in a diversified range of assets and markets worldwide. The Fund aims to provide a volatility (a measure of how much the Fund's returns may vary over a year) of up to two-thirds that of global equities over the same period.

Investment Policy

The Fund is actively managed and invests directly or indirectly through derivatives or open-ended Investment Funds (including other Schroder Funds) and Exchange Traded Funds in a wide range of assets including equity and fixed income securities and Alternative Asset Classes (subject to any restrictions provided in Appendix I).

The Fund may invest directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities. The Fund may invest up to 20% of its assets indirectly in commodities. The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 25% and is expected to remain within the range of 0% to 15% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund may invest up to 100% of its assets in open-ended Investment Funds (including other Schroder Funds). The Fund may invest in another fund that charges a performance fee.

The Fund may invest in Money Market Investments and hold cash.

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend* of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), FTSE Global Convertible Bonds Index (hedged to EUR), based on the Investment Manager's rating system.*The blend will evolve over time in line with the actual asset allocation of the Fund.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark, being to deliver the 3 Month Euribor +4.5% and compared against the Harmonised Index of Consumer Prices and the MSCI AC World (Net TR) Hedged to EUR index. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. In relation to the MSCI AC World (Net TR) Hedged to EUR index, the Fund's investment universe is expected to overlap to a limited extent with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the MSCI AC World (Net TR) Hedged to EUR index. The Investment Manager will invest in companies or sectors not included in the MSCI AC World (Net TR) Hedged to EUR index.

The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective. Any comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Schroders is in the process of assessing the potential alternatives to EURIBOR and will notify investors of any decision to move away from EURIBOR in due course.

As of 5 November 2026 the Benchmark section will change to:

The Fund does not have a target benchmark. The Fund's performance should be compared against the Morningstar EUR Flexible Allocation Global Category average. The comparator benchmark is only included for performance comparison purposes and does not determine how the

Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The comparator benchmark does not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Multi-Asset Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Absolute Value-at-Risk (VaR)

Expected Leverage

225% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the absolute VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the absolute VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

Long and short positions gained through index and equity total return swaps may increase exposure to credit-related risks.

The Fund may seek exposure to each of real estate, private equity and commodities through investment in transferable securities, Investment Trusts and REITs, derivatives on Financial Indices, Investment Funds and ETFs which invest in such asset classes. The exposure to commodities will be taken through eligible assets as described under the definition of "Alternative Asset Classes" in Appendix III of this Prospectus.

A detailed description of the risks linked to asset-backed securities and mortgage-backed securities can be found in Appendix II of this Prospectus.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund will be suitable for Investors who are more concerned with maximising long-term returns than minimising possible short-term losses.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.25%
AX Shares	Up to 5%	None	1.25%
A1 Shares	Up to 4%	0.50%	1.25%
B Shares	None	0.60%	1.25%
C Shares	Up to 1%	None	0.625%
CN Shares	Up to 3%	None	0.625%
CX Shares	Up to 1%	None	0.625%
D Shares	None	1.00%	1.25%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.55%
Z Shares	None	None	Up to 0.55%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Dividend Maximiser

Investment Objective

The Fund aims to deliver an income of 7% per year by investing in equities or equity related securities of companies worldwide. This is not guaranteed and could change depending on market conditions.

Investment Policy

The Fund is actively managed and invests at least two thirds of its assets (excluding cash) in equities or equity related securities worldwide, which are selected for their income and capital growth potential. To enhance the yield of the Fund the Investment Manager selectively sells short dated call options over individual securities held by the Fund, generating extra income by agreeing strike prices above which potential capital growth is sold.

The Fund may invest directly in China H-Shares and may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against the income target of 7% per year, and compared against the MSCI World (Net TR) index, MSCI World Value (Net TR) index and Morningstar Global Equity Income Category. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. In relation to the MSCI World (Net TR) index and MSCI World Value (Net TR) index, the Fund's investment universe is expected to overlap materially with the components of the comparator benchmarks. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the MSCI World (Net TR) index and the MSCI World Value (Net TR) index. The Investment Manager will invest in companies or sectors not included in the MSCI World (Net TR) index and the MSCI World Value (Net TR) index.

The income target has been selected because the Investment Manager deploys strategies that aim to deliver the level of income stated in the investment objective. Any comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

Risk Considerations

Specific Risk Considerations

This Fund makes use of derivatives in a way that is fundamental to its investment objective. It is expected that the strategy will typically underperform a similar portfolio with no derivative overlay in periods when the underlying stock prices are rising, and outperform when the underlying stock prices are falling.

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Emerging Market Opportunities

Investment Objective

The Fund aims to provide capital growth and income in excess of the MSCI Emerging Markets 10/40 (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in emerging market countries worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in emerging market countries worldwide.

The Fund may invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI Emerging Markets 10/40 (Net TR) index. The Fund's investment universe is expected to overlap materially, directly or indirectly, with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited

Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Emerging Markets Smaller Companies

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Emerging Markets Small Cap (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of small-sized companies in global emerging market countries.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small-sized companies of global emerging market countries, including companies outside these countries which have a substantial business exposure to global emerging markets. Small-sized companies are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the global emerging market companies.

The Fund may invest directly in China H-Shares and may invest up to 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I) .

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets Small Cap (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI Emerging Markets Small Cap (Net TR) index. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Energy

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI World SMID Energy index* after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in the energy sector.

**** As of 5 November 2026 the target benchmark will change to the MSCI World Energy index***

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equities of small and mid-sized companies in the energy sector. These are companies which, at the time of purchase, are considered to be in the bottom 80% by market capitalisation of the energy sector. The Fund typically holds fewer than 50 companies.

As of 5 November 2026 the above paragraph will change to:

The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of energy-related companies worldwide. The Fund offers diversified exposure across the conventional energy value chain and the broader energy mix, including companies involved in, or supporting, the exploration, production, processing, refining and transportation of energy and related products and services. This includes (but is not limited to) global integrated energy majors, oil and gas producers, oilfield services, downstream service providers, energy infrastructure and services, diversified power, energy metals and nuclear. The Fund may invest in a broad range of companies regardless of market capitalisations. The Fund typically holds 40-60 companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI World SMID Energy index. The Fund’s investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund’s portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

As of 5 November 2026 the Benchmark section will change to:

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI World Energy index and compared against the MSCI World SMID Energy index. The Fund’s investment universe is expected to overlap materially with the components of the target and comparator benchmarks. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund’s portfolio and performance may deviate from the target and comparator benchmarks. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund’s assets. The Investment Manager will invest in companies or sectors not included in the target or comparator benchmarks in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund’s investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day

Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Equity

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI All Country (AC) World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Investment Manager seeks to identify companies that it believes will deliver future earnings growth above the level expected by the market typically on a three to five year horizon (we refer to this as 'a positive growth gap').

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI All Country (AC) World (Net TR) index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI All Country (AC) World (Net TR) index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Mainstream Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking long term growth potential offered through investment in equities.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.25%
AX Shares	Up to 5%	None	1.25%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.25%
C Shares	Up to 1%	None	0.45%
CN Shares	Up to 3%	None	0.45%
CX Shares	Up to 1%	None	0.45%
D Shares	None	1.00%	1.25%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.45%
Z Shares	None	None	Up to 0.45%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Equity Alpha

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

'Alpha' funds invest in companies in which the Investment Manager has a high conviction that the current share price does not reflect the future prospects for that business.

The Investment Manager seeks to identify companies which it believes will deliver future earnings growth above the level expected by the market typically on a three to five year horizon (we term this as 'a positive growth gap').

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI World (Net TR) index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Further Information

The Fund is categorised as "Alpha Equity Fund".

The Fund bears in its name the word "Alpha", which means that the Investment Manager adopts an active management strategy, by aggressively positioning the portfolio according to prevailing market conditions. This could be on the basis of particular sectors, themes or styles, or on a selected number of investments which the Investment Manager believes have the potential to provide enhanced returns relative to the market.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Europe) S.A. – German Branch
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.65%
CN Shares	Up to 3%	None	0.65%
CX Shares	Up to 1%	None	0.65%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.65%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Equity Impact

Investment Objective

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide, including emerging markets, whose activities the Investment Manager considers create positive social or environmental impact and which the Investment Manager deems to be sustainable investments.

Investment Policy

The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs, and to deliver returns to shareholders over the long term, and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Investment Manager will select companies from a universe of eligible companies that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of a company's contribution to the UN SDGs alongside the Investment Manager's assessment of the company's impact via its proprietary impact investment management framework and tools (including an impact scorecard).

The Fund is part of Schroders' Impact Driven strategies. As such, it applies highly selective investment criteria and its investment process is aligned with the Operating Principles for Impact Management which means that an assessment of impact is embedded in the steps of the investment process. All sustainable investments in the Fund are subject to this framework.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to seek to improve sustainability practices and enhance social and environmental impacts generated by underlying investee companies. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/.

The Fund invests at least two-thirds of its assets in equity and equity related securities of companies worldwide, including emerging markets. The Fund typically holds 40 – 80 companies.

The Fund may invest up to 15% of its assets in emerging markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against its comparator benchmark being the MSCI AC World index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets.

The Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark does not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has the objective of sustainable investment (within the meaning of Article 9 SFDR). A Fund with this objective may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management North America Inc.
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.70%
CN Shares	Up to 3%	None	0.85%
CX Shares	Up to 1%	None	0.85%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.25%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Equity Income Plus

Investment Objective

The Fund aims to provide an annual yield in excess of the MSCI All Country World (Net TR) Index and capital growth by investing in equity and equity related securities of companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide. To enhance the dividend yield of the Fund, the Investment Manager will, sell short dated call options over individual securities held by the Fund. This may at times adversely affect the capital growth of the Fund.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund maintains a higher overall sustainability score than the MSCI All Country World (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Benchmark

The Fund' s performance should be assessed against its target benchmark being to provide an income in excess of MSCI All Country World (Net TR) Index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

This Fund makes use of derivatives in a way that is fundamental to its investment objective. This may result in periods where the Fund underperforms a similar portfolio with no derivative exposure.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.30%
AX Shares	Up to 5%	None	1.30%
A1 Shares	Up to 4%	0.50%	1.30%
B Shares	None	0.60%	1.30%
C Shares	Up to 1%	None	0.65%
CN Shares	Up to 3%	None	0.65%
CX Shares	Up to 1%	None	0.65%
D Shares	None	1.00%	1.30%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.65%
Z Shares	None	None	Up to 0.65%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Equity Yield

Investment Objective

The Fund aims to provide income and capital growth in excess of the MSCI World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Fund will invest in a diversified portfolio of equity and equity related securities whose dividend yield in aggregate is greater than the average market yield. Equities with below average dividend yield may be included in the portfolio when the Investment Manager considers that they have the potential to pay above average yield in future.

The Fund will not be managed for yield alone: total return (dividend yield plus capital growth) will be equally important.

The Fund may invest directly in China H-Shares and may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI World (Net TR) index and compared against the MSCI World Value (Net TR) index and the Morningstar Global Income Equity Category. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark and the MSCI World Value (Net TR) index. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark or the MSCI World Value (Net TR) index. The Investment Manager will invest in companies or sectors not included in the target benchmark or the MSCI World Value (Net TR) index in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. Any comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Gold

Investment Objective

The Fund aims to provide capital growth in excess of the FTSE Gold Mines UCITS capped index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in the gold industry.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide involved in the gold industry. It will also invest up to 40% of its assets in gold and other precious metals through eligible assets (as described under the definition of "Alternative Asset Classes" in Appendix III of this Prospectus, which includes notably commodities but excluding Alternative Investment Funds) and gold and other precious metals transferable securities.

The Fund may hold up to 40% of its assets in cash and Money Market Investments. The Fund will not be exposed to any physical commodities directly, nor enter into any contracts relating to physical commodities.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds and warrants (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the FTSE Gold Mines UCITS capped index. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Further Information

The Fund is categorised as "Specialist Equity Fund".

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global High Yield

Investment Objective

The Fund aims to provide income and capital growth in excess of the Bloomberg Global HYxCMBSxEMG index USD Hedged 2% cap after fees have been deducted over a three to five year period by investing in below investment grade fixed and floating rate securities issued worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). The securities may be denominated in various currencies and issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund may invest up to 15% of its assets in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may use leverage.

The Fund maintains a higher overall sustainability score than the Bloomberg Global HYxCMBSxEMG index USD Hedged 2% cap, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the Bloomberg Global HYxCMBSxEMG index USD Hedged 2% cap and compared against the Morningstar Global High Yield Category. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities. The Bloomberg Global HYxCMBSxEMG index USD Hedged 2% cap measures the market of non-investment grade, fixed-rate, taxable corporate bonds. The index follows the same rules as the uncapped index but limits the exposure of each issuer to 2% of the total market value and redistributes any excess market value index-wide on a pro-rata basis.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Relative Value-at-Risk (VaR)

VaR Benchmark

Bloomberg Global High Yield ex CMBS ex EMG 2% Cap Index USD hedged. This USD hedged index provides a broad-based measure of the global non-investment grade debt market, caps issuers at 2% and excludes emerging markets as well as CMBS.

Expected Leverage

100% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the relative VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the relative VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of

certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management North America Inc.
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.00%
AX Shares	Up to 3%	None	1.00%
A1 Shares	Up to 2%	0.50%	1.00%
B Shares	None	0.50%	1.00%
C Shares	Up to 1%	None	0.60%
CN Shares	Up to 3%	None	0.60%
CX Shares	Up to 1%	None	0.60%
D Shares	None	1.00%	1.00%
E Shares	Up to 1%	None	0.30%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.50%
Z Shares	None	None	Up to 0.60%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Inflation Linked Bond

Investment Objective

The Fund aims to provide capital growth and income in excess of the ICE BofA Global Governments Inflation-Linked EUR Hedged index after fees have been deducted over a three to five year period by investing in inflation-linked fixed income securities.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in inflation-linked fixed income securities with an investment grade or, directly or indirectly (including via credit default swaps and credit default swap indices), with a sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Global Governments Inflation-Linked EUR Hedged index based on the Investment Manager’s rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability-Related Disclosure” on the Fund’s webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund’s performance should be assessed against its target benchmark being to exceed the ICE BofA Global Governments Inflation-Linked EUR Hedged index. The Fund’s investment universe is expected to overlap to a limited extent with the components of the target benchmark. However, the Fund will likely reflect certain features of the target benchmark namely credit quality and duration, as well as currency exposure. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund’s portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Mainstream Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Relative Value-at-Risk (VaR)

VaR Benchmark

ICE BofA Global Governments Inflation-Linked EUR Hedged index. This EUR hedged index tracks the performance of investment grade inflation-linked sovereign debt publicly issued and denominated in the issuer's own domestic market and currency.

Expected Leverage

300% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the relative VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the relative VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund’s investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	0.75%
AX Shares	Up to 3%	None	0.75%
A1 Shares	Up to 2%	0.50%	0.75%
B Shares	None	0.50%	0.75%
C Shares	Up to 1%	None	0.375%
CN Shares	Up to 3%	None	0.375%
CX Shares	Up to 1%	None	0.375%
D Shares	None	1.00%	0.75%
E Shares	Up to 1%	None	0.25%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.50%
Z Shares	None	None	Up to 0.50%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Innovation

Investment Objective

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which benefit from disruptive innovation.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

Disruptive innovation typically means innovation (whether due to technology or otherwise) which changes a particular industry by creating new markets, products or service models. Disruptive innovation can be observed in many industries such as e-commerce, media & communications and banking & payments. The Investment Manager believes that companies benefitting from disruptive innovation, either as the disruptor or otherwise, can experience a rapid acceleration in, and durability of, growth. The Investment Manager seeks to invest in companies benefiting from disruptive innovation before this is fully reflected in market expectations.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against the MSCI AC World (Net TR) index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as a "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Profile of the Typical Investor

The Fund may be suitable for investors who are more concerned with maximising long term returns that minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Multi-Asset Balanced

Investment Objective

The Fund aims to provide capital growth and income over a three to five year period after fees have been deducted by investing in a diversified range of assets and markets worldwide.

Investment Policy

The Fund is actively managed and invests directly or indirectly through derivatives in equity and equity-related securities, fixed income securities and Alternative Asset Classes (subject to any restrictions in Appendix I).

Fixed income securities include fixed or floating rate securities such as government bonds, corporate bonds, emerging market debt, directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade (fixed and floating rate) securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies), convertible bonds and inflation linked bonds.

The Fund may invest up to 20% of its assets indirectly in commodities. The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk, mitigating losses in falling markets or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, total return swaps and contracts for difference will be used on a continuous basis to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund may (exceptionally) hold up to 100% of its assets in cash and Money Market Investments. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR. The Fund may invest up to 10% of its assets in open-ended Investment Funds.

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend* of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), FTSE Global Convertible Bonds Index (hedged to EUR), based on the Investment Manager's rating system.

*The blend will evolve over time in line with the actual asset allocation of the Fund.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against the Morningstar EUR Cautious Allocation – Global Category. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Multi-Asset Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Long and short positions gained through index, bond and equity total return swaps may increase exposure to credit-related risks.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

Profile of the Typical Investor

The Fund is a medium risk vehicle that will be suitable for Investors who are seeking long term growth potential through investment in a diversified portfolio offering exposure to a range of asset classes.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management (Europe) S.A. – German Branch
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 4%	None	1.25%
AX Shares	Up to 4%	None	1.25%
A1 Shares	Up to 3%	0.50%	1.25%
B Shares	None	0.60%	1.25%
C Shares	Up to 1%	None	0.60%
CN Shares	Up to 3%	None	0.60%
CX Shares	Up to 1%	None	0.60%
D Shares	None	1.00%	1.25%
E Shares	Up to 1%	None	0.30%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.60%
Z Shares	None	None	Up to 0.60%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Multi-Asset Income

Investment Objective

The Fund aims to deliver income and capital growth by investing in a diversified range of assets and markets worldwide.

Investment Policy

The Fund is actively managed and invests directly, or indirectly through derivatives, in equity and equity-related securities, fixed income securities and Alternative Asset Classes (subject to any restrictions provided in Appendix I).

The Fund may invest:

- up to 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in below investment grade (fixed and floating rate) securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) and unrated securities.
- in excess of 50% of its assets in emerging market debt (fixed and floating rate) securities.
- up to 20% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may also invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices.

The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher. The Fund may invest up to 10% of its assets in open-ended Investment Funds. The Fund may invest in Money Market Investments and hold cash.

The Fund maintains a higher overall sustainability score than 30% MSCI AC World Index (USD), 40% Barclays Global Aggregate Corporate Bond Index (USD) and 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD) based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund does not have a target benchmark. The Fund's performance and volatility should be compared against 30% MSCI AC World Index (USD), 40% Barclays Global Aggregate Corporate Bond Index (USD) and 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD). The comparator benchmark is included for performance and volatility comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to have limited overlap with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for volatility purposes given the Fund's investment objective and policy. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Multi-Asset Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

A detailed description of the risks linked to asset-backed securities and mortgage-backed securities can be found in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Risks related to emerging markets investments can be found under “Emerging and Less Developed Markets Securities Risk” in Appendix II of this Prospectus.

Profile of the Typical Investor

The Fund will be suitable for Investors who desire a sustainable level of income with some capital growth, offered through investment in a range of asset classes.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.25%
AX Shares	Up to 5%	None	1.25%
A1 Shares	Up to 4%	0.50%	1.25%
B Shares	None	0.60%	1.25%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.25%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors’ discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Recovery

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies worldwide that have suffered a severe set back in either share price or profitability.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equities of companies worldwide.

The Fund may invest directly in China H-Shares and may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund invests at least 35% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective(s).

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability-Related Disclosure” on the Fund’s webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund’s performance should be assessed against its target benchmark, being to exceed the MSCI World (TR) index and compared against the MSCI World Value (Net TR) index and the Morningstar Global Large-Cap Value Category. The Fund’s investment universe is expected to overlap to a limited extent with the components of the target benchmark and the MSCI World Value (Net TR) index. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund’s assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund’s portfolio and performance may deviate from the target benchmark or the MSCI World Value (Net TR) index. The Investment Manager will invest in companies or sectors not included in the target benchmark or the MSCI World Value (Net TR) index in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. Any comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund’s investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The portfolio will exhibit a strongly contrarian investment style and look to take maximum advantage of behavioural biases in global investment markets, and will likely exhibit higher investment volatility than global equity market indices. However, a recovery style is believed to exhibit a lower than average investment risk due to the supportive valuations of the stocks in the portfolio.

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund’s investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.65%
CN Shares	Up to 3%	None	0.65%
CX Shares	Up to 1%	None	0.65%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Smaller Companies

Investment Objective

The Fund aims to provide capital growth in excess of the S&P Developed Small Cap (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of small-sized companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small-sized companies worldwide. Small-sized companies are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of global equity markets.

The Fund may also invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the S&P Developed Small Cap (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the S&P Developed Small Cap (Net TR) index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day

Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Sustainable Food and Water

Investment Objective

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which help the transition towards the sustainable provision of food and water and which the Investment Manager deems to be sustainable investments.

Investment Policy

The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments that the Investment Manager expects to contribute towards the provision of sustainable food and water including water management, agricultural equipment, agricultural inputs, food security, food production, processing, packaging and distribution, food and water retail and recycling, and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of companies worldwide. The Fund typically holds 35 – 60 companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against the MSCI AC World (Net TR) index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as a "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The Fund has the objective of sustainable investment (within the meaning of Article 9 SFDR). A Fund with this objective may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long-term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day

Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Sustainable Growth

Investment Objective

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which meet the Investment Manager's sustainability criteria.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Fund typically holds fewer than 50 companies.

The Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against the MSCI AC World (Net TR) index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.30%
AX Shares	Up to 5%	None	1.30%
A1 Shares	Up to 4%	0.50%	1.30%
B Shares	None	0.60%	1.30%
C Shares	Up to 1%	None	0.65%
CN Shares	Up to 3%	None	0.65%
CX Shares	Up to 1%	None	0.65%
D Shares	None	1.00%	1.30%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.65%
Z Shares	None	None	Up to 0.65%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Sustainable Value

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies worldwide which meet the Investment Manager's sustainability criteria.

Investment Policy

The Fund is actively managed and invests at least two thirds of its assets in equity and equity related securities of companies worldwide.

The Fund applies a disciplined value investment approach, seeking to invest in a select portfolio of companies that the Investment Manager believes are significantly undervalued relative to their long-term earnings potential.

The Fund maintains a higher overall sustainability score than MSCI World (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Fund may invest in companies that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to three years.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may invest directly in China H-Shares and may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to re restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI World (Net TR) index and compared against the MSCI World Value (Net TR) index. The Fund's investment universe is expected to overlap to a limited extent with the components of the target and comparator benchmarks. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target or comparator benchmarks. The Investment Manager will invest in companies or sectors not included in the target or comparator benchmarks in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not

reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.375%
IA, IB, IC, ID Shares	None	None	Up to 0.75%
IZ Shares	None	None	Up to 0.65%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Global Target Return

Investment Objective

The Fund aims to provide capital growth and income of ICE BofA 3 Month US Treasury Bill Index +5% per annum before fees have been deducted*over rolling three year periods by investing in a broad range of asset classes worldwide. There is no guarantee that the objective will be attained and your capital is at risk.

*For the target return after fees for each Share Class please visit the Schroder webpage: https://www.schroders.com/en-lu/lu/individual/funds-and-strategies/fund-administration/performance-targets-after-fees/

Investment Policy

The Fund is actively managed and invests directly or indirectly (through open-ended Investment Funds and derivatives) in equities and equity related securities, fixed and floating rate securities (issued by governments, government agencies, supra-nationals and companies), mortgage-backed and asset-backed securities, convertible bonds, currencies and Alternative Asset Classes (as defined in Appendix III of this Prospectus) such as real estate, infrastructure and commodity related transferable securities (subject to any restrictions provided in Appendix I). The Fund may invest up to 10% of its assets indirectly in commodities.

The Fund may hold up to 40% of its assets in open-ended Investment Funds. However as the Fund grows the Investment Manager expects the Fund to hold less than 10% in open-ended Investment Funds.

The Fund may invest directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Fund intends to use derivatives (including total return swaps) with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 40% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher. The Fund may also invest in Money Market Investments and hold cash.

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend* of the MSCI World Index (hedged to USD), MSCI Emerging Market Index (unhedged), Bloomberg Global Aggregate Corporate Bond Index (hedged to USD), Bloomberg Global High Yield excl. CMBS & EMD 2% Index (hedged to USD), ICE BofA US Treasury Index (hedged to USD), JPM GBI Emerging Market Index - EM Local (unhedged) and JPM EMBI Index EM Hard Currency (hedged to USD), based on the Investment Manager's rating system.

*The blend will evolve over time in line with the actual asset allocation of the Fund.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark, being to achieve a return of ICE BofA 3 Month US Treasury Bill Index + 5% before fees have been deducted. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark.

The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

Further Information

The Fund is categorised as "Multi-Asset Fund". The Fund may invest more than 10% of its assets in Investment Funds.

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Profile of the Typical Investor

The Fund is a medium risk vehicle that will be suitable for Investors who are seeking long term growth potential through investment in a diversified portfolio offering exposure to a range of asset classes.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Australia Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 4%	None	1.25%
AX Shares	Up to 4%	None	1.25%
A1 Shares	Up to 3%	0.50%	1.25%
B Shares	None	0.60%	1.25%
C Shares	Up to 1%	None	0.625%
CN Shares	Up to 3%	None	0.625%
CX Shares	Up to 1%	None	0.625%
D Shares	None	1.00%	1.25%
E Shares	Up to 1%	None	0.3125%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.625%
Z Shares	None	None	Up to 0.625%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Greater China

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Golden Dragon (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of People's Republic of China, Hong Kong SAR and Taiwan companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in People's Republic of China, Hong Kong SAR and Taiwan.

The Fund may invest directly in China H-Shares and may invest less than 50% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor (QFI) Scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI Golden Dragon (Net TR) index and compared against the Morningstar Greater China Equity Category. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The Fund may invest in mainland China through QFI schemes or Regulated Markets. Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status and QFI quota.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Hong Kong) Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Healthcare Innovation

Investment Objective

The Fund aims to provide capital growth by investing in equity and equity related securities of healthcare and medical related companies worldwide which meet the Investment Manager's sustainability criteria.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide, which are engaged in healthcare provision, medical services and related products.

The Fund invests at least 80% of its assets in sustainable investments, which are investments in companies that contribute towards the advancement of one or more of the UN SDGs by promoting growth in healthcare provision and medical treatments and improving healthcare standards using an innovation-led approach.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Fund may invest in companies that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to two years.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against its comparator benchmarks, being the MSCI AC World (Net TR) index and the MSCI AC World Health Care Daily (Net TR) Index. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap to a limited extent with the components of the MSCI AC World (Net TR) index and materially with the components of the MSCI AC World Health Care Daily (Net TR) Index. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmarks. The Investment Manager will invest in companies or sectors not included in the comparator benchmarks. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The comparator benchmarks have been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day

Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

1 Different subscription and redemption procedures may apply if applications are made through Distributors.

2 The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

3 Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Hong Kong Dollar Bond

Investment Objective

The Fund aims to provide total returns over a three to five year period by investing in fixed and floating rate securities denominated in HKD.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in HKD issued by governments, government agencies, supra-nationals and companies worldwide and derivatives related to the above instruments.

The Fund may invest in securities with an investment grade or sub-investment grade credit rating and aims to achieve an average credit quality equivalent to investment grade (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may invest in up to 30% of its assets in mainland China through the Qualified Foreign Investor ("QFI") scheme or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be assessed against its objective of providing income and growth over a three to five year period by investing in fixed and floating rate securities denominated in HKD.

Further Information

The Fund is categorised as "Mainstream Bond Fund".

Risk Considerations

Specific Risk Considerations

The Fund may invest in mainland China through QFI schemes or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct). Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status, QFI quota, the CIBM and Bond Connect.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	HKD
Investment Manager	Schroder Investment Management (Singapore) Ltd
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	0.75%
AX Shares	Up to 3%	None	0.75%
A1 Shares	Up to 2%	0.50%	0.75%
B Shares	None	0.50%	0.75%
C Shares	Up to 1%	None	0.50%
CN Shares	Up to 3%	None	0.50%
CX Shares	Up to 1%	None	0.50%
D Shares	None	1.00%	0.75%
E Shares	Up to 1%	None	0.25%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.50%
Z Shares	None	None	Up to 0.50%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Hong Kong Equity

Investment Objective

The Fund aims to provide capital growth in excess of the FTSE MPF Hong Kong Index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies listed on the Hong Kong Stock Exchange.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies listed on the Hong Kong Stock Exchange.

The Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;

the Qualified Foreign Investor ("QFI") Scheme; and

shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the FTSE MPF Hong Kong Index and compared against the Morningstar Hong Kong Equity Category. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The Fund may invest in mainland China through QFI schemes or Regulated Markets. Investors should note that the QFI status may be suspended or revoked and that this may adversely affect the Fund's performance by requiring the Fund to dispose of its securities holdings. Please refer to Appendix II for more information of the risks regarding QFI status and QFI quota.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	HKD
Investment Manager	Schroder Investment Management (Hong Kong) Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Indian Equity

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI India (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Indian companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Indian companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI India (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI India (Net TR) index and compared against the Morningstar India Equity Category. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Singapore) Ltd
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Indian Opportunities

Investment Objective

The Fund aims to provide capital growth in excess of MSCI India (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Indian companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Indian companies or companies which have their principal business activities in India.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI India (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI India (Net TR) index and compared against the Morningstar India Equity Category. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Singapore) Ltd
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Inflation Plus

Investment Objective

The Fund aims to provide capital growth above inflation (as measured by the Eurozone Harmonized Consumer Price Index) after fees have been deducted over rolling three to five year periods by investing in a broad range of asset classes worldwide. There is no guarantee that the objective will be attained and your capital is at risk.

Investment Policy

The Fund is actively managed and may invest worldwide in commodities, equity and equity related securities of companies, fixed and floating rate securities and other Alternative Asset Classes in any currency, either directly or indirectly through open-ended Investment Funds and Exchange Traded Funds (subject to any restrictions provided in Appendix I).

The Fund may invest up to 50% of its assets indirectly in commodities. The exposure to commodities and other Alternative Asset Classes will be taken through eligible assets as described under the definition of "Alternative Asset Classes" in Appendix III of this Prospectus.

The Fund may invest in excess of 50% of its assets, directly or indirectly (including via credit default swaps and credit default swap indices) in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Fund may exceptionally invest up to 100% of its assets in cash and Money Market Investments. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR.

The Fund may use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a continuous basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 75% and is expected to remain within the range of 0% to 25% of the Net Asset Value. In certain circumstances this proportion may be higher.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to exceed the Eurozone Harmonized Consumer Price Index. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of a benchmark.

The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.

Further Information

The Fund is categorised as "Multi-Asset Fund". The Fund may invest in another fund that charges a performance fee.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund will be suitable for investors who seek real value (a positive rate of return after inflation) offered through investment in a range of asset classes.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 4%	None	1.50%
AX Shares	Up to 4%	None	1.50%
A1 Shares	Up to 3%	0.50%	1.50%
B Shares	None	0.50%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Italian Equity

Investment Objective

The Fund aims to provide capital growth in excess of the FTSE Italia All-Share (TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Italian companies.

Investment Policy

The Fund is actively managed and invests at least 70% of its assets in a concentrated range (typically fewer than 50 companies) of equity and equity related securities of Italian companies. The Fund invests at least 25% of these assets (which corresponds to 17.5% of the Fund's assets) in equity and equity related securities of Italian companies that are not included in FTSE MIB index or other equivalent indices and at least 5% of these assets (which corresponds to 3.5% of the Fund's assets) in equity and equity related securities of Italian companies that are not included in the FTSE MIB and FTSE MID CAP indexes or other equivalent indices.

The Fund may invest up to 10% of its assets in securities issued by, or entered into with, the same company or companies belonging to the same group.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the FTSE Italia All-Share (TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the FTSE Italia All-Share (TR) index and compared against the Morningstar Italy Equity Category. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Mainstream Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing 70% of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking long term growth potential offered through investment in equities.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management (Europe) S.A. – Swedish Branch
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day

Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility [2]	PIR eligible

General Share Class Features

Share Classes	Initial Charge [3]	Annual Distribution Charge [4]	Annual Management Charge
A Shares	Up to 5%	None	1.25%
AX Shares	Up to 5%	None	1.25%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.25%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.25%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and/or redemption procedures may apply if applications are made through Distributors.
[2] The Fund is an eligible investment suitable to be held within an Italian "Piano Individuale di Risparmio a lungo termine" (PIR) under the law 232/2016 and the law 157/2019 and subsequent amendments.
[3] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[4] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Japan DGF [1]

Investment Objective

The Fund aims to provide capital growth of 3-month TIBOR (Tokyo interbank interest rates) +4% per annum before fees have been deducted* by investing in a diversified range of assets and markets worldwide. The Fund aims to provide a volatility (a measure of how much the returns of a fund varies over a year) of 5-7% per annum.

*For the target return after fees for each Share Class please visit the Schroder webpage: https://www.schroders.com/en-lu/lu/individual/funds-and-strategies/fund-administration/performance-targets-after-fees/

Investment Policy

The Fund is actively managed and invests directly in equity and equity related securities, fixed and floating rate securities, Money Market Investments and/or currencies, or indirectly through open-ended Investment Funds and Exchange Traded Funds worldwide (subject to any restrictions provided in Appendix I). Fixed and floating rate securities may also include directly or indirectly (including via credit default swaps and credit default swap indices) sub-investment grade securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Fund has a maximum exposure of 30% to equities and at least 70% of its assets denominated in or hedged back into Japanese yen at all times. The Fund may invest indirectly in real estate and up to 20% of its assets indirectly in commodities through transferable securities (including REITs), derivatives (including total return swaps), open-ended Investment Funds, Exchange Traded Funds and Investment Trusts which invest in such asset classes.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 40% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher. The Fund may invest in Money Market Investments and hold cash.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to achieve 3-month TIBOR (Tokyo interbank interest rates) +4% per annum, and its volatility objective of 5-7% per annum. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of a benchmark.

The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.

Further Information

The Fund is categorised as "Multi-Asset Fund". The Fund may invest more than 10% of its assets in Investment Funds. The Fund may invest in another fund that charges a performance fee.

Risk Considerations

Specific Risk Considerations

Long and short positions gained through index, bond and equity total return swaps may increase exposure to credit-related risks.

Profile of the Typical Investor

The Fund will be suitable for Investors who are more concerned with maximising long-term returns than minimising possible short-term losses.

Fund Characteristics

Fund Currency	JPY
Investment Manager	Schroder Investment Management (Hong Kong) Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [2]	3 Business Days from the relevant Dealing Day for subscription proceeds 5 Business Days from the relevant Dealing Day for redemption proceeds
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

[1] DGF means Diversified Growth Fund
[2] Different subscription and redemption procedures may apply if applications are made through Distributors.

General Share Class Features

Share Classes	Initial Charge [3]	Annual Distribution Charge [4]	Annual Management Charge
A Shares	N/A	N/A	N/A
AX Shares	N/A	N/A	N/A
A1 Shares	N/A	N/A	N/A
B Shares	N/A	N/A	N/A
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	N/A	N/A	N/A
E Shares	N/A	N/A	N/A
IZ, IA, IB, IC, ID Shares	N/A	N/A	Up to 0.75%
Z Shares	N/A	N/A	N/A

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[3] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[4] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Japanese Equity

Investment Objective

The Fund aims to provide capital growth in excess of the Tokyo Stock Price Index Net TR after fees have been deducted over a three to five year period by investing in equity and equity related securities of Japanese companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Japanese companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Tokyo Stock Price Index Net TR, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the Tokyo Stock Price Index Net TR. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Further Information

The Fund is categorised as "Mainstream Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking long term growth potential offered through investment in equities.

Fund Characteristics

Fund Currency	JPY
Investment Manager	Schroder Investment Management (Japan) Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.25%
AX Shares	Up to 5%	None	1.25%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.25%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.25%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Japanese Opportunities

Investment Objective

The Fund aims to provide capital growth in excess of the Tokyo Stock Price Index Net TR after fees have been deducted over a three to five year period by investing in equity and equity related securities of Japanese companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Japanese companies.

The Fund seeks to identify and invest in undervalued stocks by estimating their fair value based on predicted returns over the medium to long term.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Tokyo Stock Price Index Net TR, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the Tokyo Stock Price Index Net TR. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	JPY
Investment Manager	Schroder Investment Management (Japan) Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Japanese Smaller Companies

Investment Objective

The Fund aims to provide capital growth in excess of the Russell Nomura Small Cap (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of small-sized Japanese companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small-sized Japanese companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the Japanese equities market.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Russell Nomura Small Cap (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the Russell Nomura Small Cap (Net TR) index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	JPY
Investment Manager	Schroder Investment Management (Japan) Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Latin American

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Emerging Markets Latin America 10/40 (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Latin American companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Latin American companies.

The Fund typically holds 40-70 companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI Emerging Markets Latin America 10/40 (Net TR) index. The Fund's investment universe is expected to overlap materially, directly or indirectly, with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Further Information

The Fund is categorised as "Specialist Equity Fund".

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Multi-Asset Growth and Income

Investment Objective

The Fund aims to provide capital growth and income over a three to five year period after fees have been deducted by investing in a diversified range of assets and markets worldwide.

Investment Policy

The Fund is actively managed and invests directly, or indirectly through derivatives, in equity and equity-related securities, fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide in various currencies and Alternative Asset Classes (subject to any restrictions provided in Appendix I).

The Fund may invest:

- up to 50% directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).
- up to 20% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Fund may invest directly in China H-Shares and may invest less than 15% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext. The Fund may also invest up to 10% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund may invest in Money Market Investments and hold cash. The Fund may invest up to 10% of its assets in open-ended Investment Funds.

The Fund maintains a higher overall sustainability score than 30% MSCI AC World Index (USD), 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD), 30% FTSE Convertible Global Focus index (USD) and 10% Barclays Global Aggregate Bond Index (USD), based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund does not have a target benchmark. The Fund's performance and volatility should be compared against 30% MSCI AC World Index (USD), 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD), 30% FTSE Convertible Global Focus index (USD) and 10% Barclays Global Aggregate Bond Index (USD). The comparator benchmark is only included for performance and risk comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to have limited overlap with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Multi-Asset Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with

an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

Long and short positions gained through index, bond and equity total return swaps may increase exposure to credit-related risks.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

A detailed description of the risks linked to asset-backed securities and mortgage-backed securities can be found in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Profile of the Typical Investor

The Fund is a medium risk vehicle that will be suitable for Investors who are seeking long term growth potential and income through investment in a diversified portfolio offering exposure to a range of asset classes.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 4%	None	1.25%
AX Shares	Up to 4%	None	1.25%
A1 Shares	Up to 3%	0.50%	1.25%
B Shares	None	0.60%	1.25%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.25%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Nordic Micro Cap

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Nordic Micro Cap (Net TR) index after fees have been deducted over a five to seven year period by investing in equity or equity related securities of micro-sized Nordic companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of micro-sized Nordic companies. These are companies which, at the time of purchase, are considered to be in the bottom 10% by market capitalisation of the Nordic equities market. The Fund may invest up to 10% of its assets in eligible unlisted transferable securities.

Portfolio construction is based on fundamental research, with a bias towards investing in companies that the investment manager considers are well-managed, entrepreneurial businesses that can grow in the long term.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Nordic Micro Cap (Net TR) index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI Nordic Micro Cap (Net TR) index and compared against the Morningstar Nordic Small/Mid-Cap Equity Category. The Fund's investment universe is not expected to overlap materially with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management (Europe) S.A. – Finnish Branch
Dealing Cut-off Time	13.00 Luxembourg time 5 Business Days before relevant Dealing Day
Dealing Frequency	Weekly, on each Wednesday or the next Business Day if a Wednesday is not a Business Day and on the last Business Day in a month

Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.75%
AX Shares	Up to 5%	None	1.75%
A1 Shares	Up to 4%	0.50%	1.75%
B Shares	None	0.60%	1.75%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.00%
E Shares	None	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1.00%
Z Shares	None	None	Up to 1.00%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

1 Different subscription and redemption procedures may apply if applications are made through Distributors.

2 The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

3 Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Nordic Smaller Companies

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI Nordic Smaller Companies (Net TR) index after fees have been deducted over a three to five year period by investing in equity or equity related securities of small-sized Nordic companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small-sized Nordic companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the Nordic equities market.

Portfolio construction is based on fundamental research, with a bias towards investing in companies that the Investment Manager considers are well-managed, entrepreneurial businesses that can grow in the long term.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Nordic Smaller Companies (Net TR) index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI Nordic Smaller Companies (Net TR) index and compared against the Morningstar Nordic Small/Mid-Cap Equity Category. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management (Europe) S.A. – Finnish Branch
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day

Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	0.75%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

1 Different subscription and redemption procedures may apply if applications are made through Distributors.

2 The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

3 Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund QEP Global Active Value

Investment Objective

The Fund aims to provide capital growth and income in excess of the MSCI AC World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.

The Fund focuses on companies that have certain "Value" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market.

The Fund may invest directly in China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI AC World (Net TR) index and compared against the MSCI AC World Value (Net TR) index and the MSCI World (Net TR) index. The Fund's investment universe is expected to overlap materially with the components of the target and comparator benchmarks. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target or comparator benchmarks. The Investment Manager will invest in companies or sectors not included in the target or comparator benchmarks in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. Any comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Quantitative Equity Fund". QEP stands for Quantitative Equity Products.

The Investment Manager of the Fund undertakes the hedging of the Shares of the hedged Share Classes by considering the relevant proportionate underlying currency exposures of the Fund. Performance of these hedged Share Classes may therefore vary significantly from equivalent Share Classes in the Fund Currency.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking long term growth potential offered through investment in equities.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.25%
AX Shares	Up to 5%	None	1.25%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.25%
C Shares	Up to 1%	None	0.65%
CN Shares	Up to 3%	None	0.65%
CX Shares	Up to 1%	None	0.65%
D Shares	None	1.00%	1.25%
E Shares	N/A	N/A	N/A
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.65%
Z Shares	None	None	Up to 0.65%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund QEP Global Core

Investment Objective

The Fund aims to provide capital growth and income in excess of the MSCI World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.

The Fund's weight in a single country, region or sector will typically be within 3% of the target index whilst the weight of each security will typically be within 0.75% of the benchmark.

The Fund focuses on companies that have certain "Value" and/or "Quality" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength, governance and structural growth.

The Fund may invest directly in China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than MSCI World (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its constraining benchmark, being the MSCI World (Net TR) index. The Fund's investment universe is expected to overlap materially with the components of the constraining benchmark. The Investment Manager will use discretion to vary the weightings in the benchmark's securities.

The constraining benchmark has been selected because the Investment Manager is constrained by reference to the value, price or components of that benchmark as stated in the investment objective and policy. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Where a Fund states that it will typically be within a certain percentage of specific weightings (e.g. sector or security) of a particular benchmark, the Investment Manager does not actively take the Fund outside of such a percentage and if the Fund moves passively outside of a percentage the Investment Manager looks to bring the Fund back in line with the percentage at the next appropriate occasion, provided the Investment Manager believes this to be in the best interests of investors.

Further Information

The Fund is categorised as "Quantitative Equity Fund". QEP stands for Quantitative Equity Products.

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking long term growth potential offered through investment in equities.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	15% of the outperformance over MSCI World Net TR [2], subject to a High Water Mark as per the methodology in section 3.1. Performance fee will be applied to P Share Classes only
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [3]	Annual Distribution Charge [4]	Annual Management Charge
A Shares	Up to 5%	None	0.55%
AX Shares	Up to 5%	None	0.55%
A1 Shares	Up to 5%	0.50%	0.55%
B Shares	N/A	N/A	N/A
C Shares	Up to 1%	None	0.275%
CN Shares	Up to 3%	None	0.275%
CX Shares	Up to 1%	None	0.275%
D Shares	N/A	N/A	N/A
E Shares	N/A	N/A	N/A
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.275%
P Shares	None	None	0.10%
Z Shares	None	None	Up to 0.275%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] In relation to currency hedged Share Classes, currency hedged versions of the above mentioned benchmarks (including currency equivalent cash benchmarks) are used for performance fee calculation purposes.
[3] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[4] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund QEP Global ESG [1]

Investment Objective

The Fund aims to provide capital growth and income in excess of the MSCI AC World ex. Fossil Fuels (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide which meet the Investment Manager's sustainability criteria.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.

The Fund focuses on companies that have certain "Value" and/or "Quality" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength and governance.

The Fund may invest directly in China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund maintains a higher overall sustainability score than MSCI AC World ex. Fossil Fuels (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI AC World ex. Fossil Fuels (Net TR) index and compared against the MSCI World (Net TR) index. The Fund's investment universe is expected to overlap materially with the components of the target and comparator benchmarks. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target or comparator benchmarks. The Investment Manager will invest in companies or sectors not included in the target or comparator benchmarks in order to take advantage of specific investment opportunities. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Quantitative Equity Fund". QEP stands for Quantitative Equity Products.

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

[1] ESG means Environmental, Social and Governance

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking long term growth potential offered through investment in equities.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [2]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [3]	Annual Distribution Charge [4]	Annual Management Charge
A Shares	Up to 5%	None	1.25%
AX Shares	N/A	N/A	N/A
A1 Shares	N/A	N/A	N/A
B Shares	N/A	N/A	N/A
C Shares	Up to 1%	None	0.65%
CN Shares	Up to 3%	None	0.65%
CX Shares	Up to 1%	None	0.65%
D Shares	N/A	N/A	N/A
E Shares	N/A	N/A	N/A
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.65%
Z Shares	None	None	Up to 0.65%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] Different subscription and redemption procedures may apply if applications are made through Distributors.
[3] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[4] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund QEP Global Quality

Investment Objective

The Fund aims to provide capital growth and income in excess of the MSCI AC World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.

The Fund focuses on companies that have certain "Quality" characteristics. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength, governance and structural growth.

The Fund may invest directly in China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI AC World (Net TR) index and compared against the MSCI World (Net TR) index. The Fund's investment universe is expected to overlap materially with the components of the target and comparator benchmarks. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target or comparator benchmarks. The Investment Manager will invest in companies or sectors not included in the target or comparator benchmarks in order to take advantage of specific investment opportunities. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Quantitative Equity Fund". QEP stands for Quantitative Equity Products.

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking long term growth potential offered through investment in equities.

Fund Characteristics

Fund Currency	USD

Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.25%
AX Shares	Up to 5%	None	1.25%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.25%
C Shares	Up to 1%	None	0.65%
CN Shares	Up to 3%	None	0.65%
CX Shares	Up to 1%	None	0.65%
D Shares	None	1.00%	1.25%
E Shares	N/A	N/A	N/A
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.65%
Z Shares	None	None	Up to 0.65%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Robotics and Automation

Investment Objective

The Fund aims to provide capital growth by investing in equity and equity related securities of companies worldwide which the Investment Manager believes will benefit from the latest industrial innovation techniques.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

Robotics and automation are key elements of the latest industrial innovation techniques to address the market needs and supply chain challenges of manufacturing and related sectors such as distribution, logistics and transportation. The Investment Manager seeks to invest in companies that it believes will enjoy superior growth through their exposure to these innovations.

The Fund may invest directly in China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against the MSCI AC World (Net TR) index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as a "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long-term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day

Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Securitised Credit

Investment Objective

The Fund aims to provide income and capital growth in excess of ICE BofA AA-BBB ABS Index, before fees have been deducted* over a three to five year period by investing in securitised assets issued by entities worldwide.

*For the target return after fees for each Share Class please visit the Schroder webpage: https://www.schroders.com/en-lu/lu/individual/funds-and-strategies/fund-administration/performance-targets-after-fees/

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securitised investments including but not limited to asset-backed securities (ABS), residential mortgage-backed securities (MBS) and commercial mortgage-backed securities (CMBS). The Fund may also invest up to 49% of its assets in in collateralised loan obligations (CLOs).

The Fund may invest up to 100% of its assets in ABS, MBS and CMBS issued worldwide with an investment grade and sub-investment grade credit rating (as measured Standard & Poor's or any equivalent grade of other credit rating agencies for rated securities and implied Schroders ratings for non-rated securities). Underlying assets of the asset-backed securities may include credit card receivables, personal loans, auto loans, transportation finance and small business loans.

The Fund may invest up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities with a sub-investment grade credit rating (as measured Standard & Poor's or any equivalent grade of other credit rating agencies for rated securities and implied Schroders ratings for non-rated securities).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Investment Manager assesses the sustainability credentials of potential investments using a proprietary tool. The Fund only invests in assets deemed above a minimum threshold based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark of ICE BofA AA-BBB ABS Index and compared against the Bloomberg Barclays 1-5yr Global Credit index (Hedged to USD) and ICE BofA 3 Month US Treasury Bill Index +2%. The comparator benchmarks are only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. Whilst the Fund's investments are generally expected to deviate significantly from the components of the target benchmark and the Bloomberg Barclays 1-5yr Global Credit index (Hedged to USD), dependent on the Investment Manager's views, the Fund's investments may overlap with them. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark and the Bloomberg Barclays 1-5yr Global Credit index (Hedged to USD). The Investment Manager will invest in companies or sectors not included in the target benchmark and the Bloomberg Barclays 1-5yr Global Credit index (Hedged to USD).

The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective. The comparator benchmarks have been selected because the Investment Manager believes that the benchmarks are a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Relative Value-at-Risk (VaR)

VaR Benchmark

ICE BofA AA-BBB ABS Index. This index tracks the performance of US dollar denominated investment grade (AA-BBB) fixed rate asset backed securities publicly issued in the US domestic market.

Expected Leverage

200% of the total net assets. The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the relative VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the relative VaR approach please see Appendix I. In addition to this regulatory restriction,

Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management North America Inc.
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	0.70%
AX Shares	Up to 3%	None	0.70%
A1 Shares	Up to 2%	0.50%	0.70%
B Shares	N/A	N/A	N/A
C Shares	Up to 1%	None	0.35%
CN Shares	Up to 3%	None	0.35%
CX Shares	Up to 1%	None	0.35%
D Shares	N/A	N/A	N/A
E Shares	Up to 1%	None	0.20%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.35%
Z Shares	None	None	Up to 0.35%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Strategic Bond

Investment Objective

The Fund aims to provides capital growth and income in excess of the ICE BofA 3 month US Treasury Bill Index over a three to five year period after fees have been deducted by investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities in various currencies issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund may invest:

- up to 10% of its assets in contingent convertible bonds;
- up to 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities with a non-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies); and
- up to 100% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Fund may invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the ICE BofA 3 Month US Treasury Bill Index and compared against the Bloomberg Multiverse ex Treasury A+ to B- USD Hedged Index. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the target benchmark.

The Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the target or comparator benchmarks in order to take advantage of specific investment opportunities.

The target benchmark has been selected because the target return of the Fund is to deliver the return of that benchmark as stated in the investment objective. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Absolute Value-at-Risk (VaR)

Expected Leverage

900% of the total net assets

In order to implement an efficiently diversified set of strategies (such as country, yield curve, credit and currency strategies) and to achieve a risk target that is consistent with the Fund's risk profile, the Fund will use derivatives that may generate a higher level of leverage.

Although the Fund uses derivatives for investment purposes, which can increase the Fund's level of risk, it also uses derivatives within a portfolio construction process that is focused on diversifying strategies and managing risk correlation, which can contribute to reducing the Fund's level of risk. In general the Fund uses derivatives for investment purposes and managing risk correlation, in equal measure.

Some of the strategies will rely on instruments that require a substantial level of gross leverage to generate a limited amount of risk, such as short-dated interest rate contracts. Also, derivatives used within the long and short strategies may generate a high level of gross leverage but a reduced level of net leverage.

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the absolute VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the absolute VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The Fund uses significant leverage through financial derivative instruments, which will magnify both gains and losses on its investments and result in greater fluctuations of its Net Asset Value. This significantly increases the risk of the Fund compared to an unleveraged fund. Leverage occurs when the overall economic exposure of the Fund exceeds its amount of assets invested.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.00%
AX Shares	Up to 3%	None	1.00%
A1 Shares	Up to 2%	0.50%	1.00%
B Shares	None	0.50%	1.00%
C Shares	Up to 1%	None	0.60%
CN Shares	Up to 3%	None	0.60%
CX Shares	Up to 1%	None	0.60%
D Shares	None	1.00%	1.00%
E Shares	Up to 1%	None	0.30%

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.60%
Z Shares	None	None	Up to 0.60%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Strategic Credit

Investment Objective

The Fund aims to provide capital growth and income in excess of ICE BofA Sterling 3-Month Government Bill Index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities issued by companies worldwide.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund may invest up to 100% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities with a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Fund may also seek up to 25% exposure to convertible bonds and bonds with warrants. The exposure to convertible bonds includes up to 15% in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may also invest in derivatives to create long and short exposure to the underlying assets of these derivatives. The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark, being to exceed ICE BofA Sterling 3-Month Government Bill Index. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of a benchmark.

The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Absolute Value-at-Risk (VaR)

Expected Leverage

150% of the total net assets

The expected level of leverage may be higher when there is unusually high or low volatility.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the absolute VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the absolute VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The Fund will make use of credit derivative instruments to seek exposure to global credit markets. This may lead to a higher volatility in the price of the Shares and may imply increased counterparty risk.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	GBP
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.00%
AX Shares	Up to 3%	None	1.00%
A1 Shares	Up to 2%	0.50%	1.00%
B Shares	None	0.50%	1.00%
C Shares	Up to 1%	None	0.60%
CN Shares	Up to 3%	None	0.60%
CX Shares	Up to 1%	None	0.60%
D Shares	None	1.00%	1.00%
E Shares	Up to 1%	None	0.30%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.60%
Z Shares	None	None	Up to 0.60%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Sustainable Asian Equity

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI AC Asia Pacific ex Japan (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Asia Pacific markets companies (excluding Japan) which meet the Investment Manager's sustainability criteria.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in Asia Pacific markets (excluding Japan) or companies which derive a significant proportion of their revenues or profits from the Asia Pacific region.

The Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

- Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;
- the Qualified Foreign Investor (QFI) Scheme;
- shares listed on the STAR Board and the ChiNext; and
- Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI AC Asia Pacific ex Japan (Net TR) index and compared against the Morningstar Asia Pacific ex Japan Category. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable

investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Singapore) Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.25%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund QEP Emerging Markets Core

Investment Objective

The Fund aims to provide capital growth and income in excess of the MSCI Emerging Markets 10/40 (NDR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of companies in emerging market countries.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies in emerging market countries.

The Fund focuses on companies that have certain "Value" and/or "Quality" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength, governance and structural growth.

The Fund may invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (NDR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI Emerging Markets 10/40 (NDR) index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Further Information

The Fund is categorised as a "Quantitative Equity Fund". QEP stands for Quantitative Equity Products.

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect are securities trading and clearing linked programmes developed by The Stock Exchange of Hong Kong Limited, Shanghai/Shenzhen Stock Exchanges, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the programmes as well as risks linked thereto can be found in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking long term growth potential offered through investment in equities.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	0.70%
AX Shares	Up to 5%	None	0.70%
A1 Shares	Up to 4%	0.50%	0.70%
B Shares	None	0.60%	0.70%
C Shares	Up to 1%	None	0.35%
CN Shares	Up to 3%	None	0.35%
CX Shares	Up to 1%	None	0.35%
D Shares	None	1.00%	0.70%
E Shares	N/A	N/A	N/A
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.35%
Z Shares	None	None	Up to 0.35%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Sustainable EURO Credit

Investment Objective

The Fund aims to provide capital growth and income in excess of the ICE BofA Euro Corporate index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities denominated in Euro issued by companies worldwide, which meet the Investment Manager's sustainability criteria.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in or hedged to Euro issued by companies and other non-sovereign bond issuers, governments, government agencies and supra-nationals worldwide.

In security analysis, the Fund compares issuers in the context of their sector and country peers.

The Fund maintains a higher overall sustainability score than ICE BofA Euro Corporate index, based on the Investment Manager's rating system.

The Fund invests at least 10% of its assets in green, social and/or sustainable bonds.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may invest:

- up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- up to 20% of its assets in sovereign government bonds;
- up to 20% of its assets in asset-backed securities and mortgage-backed securities; and
- up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be compared against its target benchmark being to exceed the ICE BofA Euro Corporate Index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

A detailed description of the risks linked to contingent convertible bonds, below-investment grade securities, asset-backed securities and mortgage-backed securities can be found in Appendix II of this Prospectus.

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management (Europe) S.A. – German Branch
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	0.75%
AX Shares	Up to 3%	None	0.75%
A1 Shares	Up to 2%	0.50%	0.75%
B Shares	None	0.50%	0.75%
C Shares	Up to 1%	None	0.45%
CN Shares	Up to 3%	None	0.45%
CX Shares	Up to 1%	None	0.45%
D Shares	None	1.00%	0.75%
E Shares	Up to 1%	None	0.225%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.45%
Z Shares	None	None	Up to 0.45%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Sustainable Global Multi Credit

Investment Objective

The Fund aims to provide capital growth in excess of the Bloomberg Multiverse (TR) ex Treasury A+ to B- USD Hedged index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities which meet the Investment Manager's sustainability criteria.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in investment grade and sub-investment grade fixed and floating rate securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries.

The Fund maintains a higher overall sustainability score than Bloomberg Multiverse (TR) ex Treasury A+ to B- index, USD Hedged, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may invest:

- in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- up to 20% of its assets in asset-backed and mortgage-backed securities; and
- up to 15% of its assets in contingent convertible bonds and convertible bonds (of which up to 10% may be invested in convertible bonds).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may also invest in derivatives to create long and short exposure to the underlying assets of these derivatives. The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the Bloomberg Multiverse (TR) ex Treasury A+ to B- index, USD Hedged. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the benchmark in order to take advantage of specific investment opportunities.

The index is a customised benchmark which has been selected as it provides a more accurate investment universe against which to compare performance. This is a focussed credit fund so the index excludes Treasuries, which tend to be included in broad market indices. The benchmark includes corporate bonds rated A+ to B- as we also excluded securities rated AAA, AA and CCC and below. The index is hedged, but on an unhedged basis local currencies are excluded. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Absolute Value-at-Risk (VaR)

Expected Leverage

500% of the total net assets

The expected level of leverage may be higher when there is unusually high or low volatility.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the absolute VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the absolute VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The Fund will make use of credit derivative instruments to seek exposure to global credit markets. This may lead to a higher volatility in the price of the Shares and may imply increased counterparty risk.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Europe) S.A. – German Branch
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	1.20%
AX Shares	Up to 3%	None	1.20%
A1 Shares	Up to 2%	0.50%	1.20%
B Shares	None	0.30%	1.20%
C Shares	Up to 1%	None	0.60%
CN Shares	Up to 3%	None	0.60%
CX Shares	Up to 1%	None	0.60%
D Shares	None	1.00%	1.20%
E Shares	Up to 1%	None	0.30%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.60%
Z Shares	None	None	Up to 0.60%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

Schroder International Selection Fund Sustainable Multi-Factor Equity

Investment Objective

The Fund aims to provide capital growth in excess of the MSCI AC World (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity-related securities of companies worldwide which meet the Investment Managers sustainability criteria.

Investment Policy

The Fund is actively managed and invests at least two thirds of its assets in equity and equity-related securities of companies worldwide that meet the Investment Manager's sustainability criteria and which also focus on a range of equity factors (also commonly known as investment styles). Companies will be simultaneously assessed on these equity factors using a fully integrated systematic, bottom-up investment approach.

Relevant equity factors may include the following:

- Low volatility – involves evaluating indicators such as share price movement and historical performance to determine those securities that the Investment Manager believes will experience smaller price movements than the global equity markets on average.
- Momentum – involves evaluating trends in stocks, sectors or countries within the relevant equity market.
- Quality – involves evaluating indicators such as a company's profitability, stability and financial strength.
- Value – involves evaluating indicators such as cash flows, dividends and earnings to identify securities that the Investment Manager believes have been undervalued by the market.
- Sustainability – involves evaluating challenges and opportunities companies face from social, environmental and governance considerations.

The Fund follows a systematic approach, which scores all companies in a broad universe, including the MSCI AC World (Net TR) index, against the above equity factors to create a broadly diversified portfolio. The systematic process seeks to maximise the Fund's expected exposure to the aggregated score against the equity factors, subject to consideration of active risk and transaction costs, while applying additional controls to manage concentration risk across securities, sectors and industries, and unexpected bias towards or away from the benchmark. The Investment Manager reviews the systematic output on regular basis and adjusts to ensure that the desired risk characteristics have been delivered and that the portfolio is appropriate against the equity factors.

The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index, based on the Investment Manager's rating system. It also maintains a carbon intensity at least 50% lower than the MSCI AC World (Net TR) index, based on the Weighted Average Carbon Intensity (WACI).

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Fund may invest in companies that the Investment Manager believes will improve their sustainability practices.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI AC World (Net TR) index and compared against the MSCI ACWI ex Fossil Fuels index. The Fund's investment universe is expected to overlap materially with the components of the target and comparator benchmarks. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target and comparator benchmarks. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager will invest in companies or sectors not included in the target or comparator benchmarks in order to take advantage of specific investment opportunities. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking long term growth potential offered through investment in equities.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	N/A	N/A	N/A
AX Shares	N/A	N/A	N/A
A1 Shares	N/A	N/A	N/A
B Shares	N/A	N/A	N/A
C Shares	Up to 1%	None	0.20%
CN Shares	Up to 3%	None	0.20%
CX Shares	Up to 1%	None	0.20%
D Shares	N/A	N/A	N/A
E Shares	Up to 1%	None	0.10%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.20%
Z Shares	N/A	N/A	N/A

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Sustainable US Dollar High Yield

Investment Objective

The Fund aims to provide capital growth and income in excess of the Bloomberg US High Yield Index after fees have been deducted over a three to five year period by investing in below investment grade fixed and floating rate securities denominated in USD, or other currencies hedged to USD, issued by companies worldwide, which meet the Investment Manager's sustainability criteria.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard and Poor's or any equivalent of other credit rating agencies) issued by governments, government agencies, supra-nationals and companies worldwide denominated in USD, or other currencies hedged to USD, including emerging market countries.

The Fund maintains a higher overall sustainability score than Bloomberg US High Yield Index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may invest:

- up to 20% of its assets in convertible bonds including up to 15% of its assets in contingent convertible bonds;
- up to 20% of its assets in emerging markets countries; and
- up to 10% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the Bloomberg US High Yield index and compared against the Morningstar USD High Yield Bond Category and the Bloomberg US High Yield ex-Energy Index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark and to a limited extent with the components of the Bloomberg US High Yield ex-Energy Index. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark and the Bloomberg US High Yield ex-Energy Index. The Investment Manager will invest in companies or sectors not included in the target benchmark and Bloomberg US High Yield ex-Energy Index in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmarks have been selected because the Investment Manager believes that the benchmarks are a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

A detailed description of the risks linked to contingent convertible bonds, below-investment grade securities, asset-backed securities and mortgage-backed securities can be found in Appendix II of this Prospectus.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable

investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

Risks related to emerging markets investments can be found under "Emerging and Less Developed Markets Securities Risk" in Appendix II of this Prospectus.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management North America Inc.
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	**Initial Charge** [1]	**Annual Distribution Charge** [2]	**Annual Management Charge**
A Shares	Up to 3%	None	1.20%
AX Shares	Up to 3%	None	1.20%
A1 Shares	Up to 2%	0.50%	1.20%
B Shares	None	0.60%	1.20%
C Shares	Up to 1%	None	0.60%
CN Shares	Up to 3%	None	0.60%
CX Shares	Up to 1%	None	0.60%
D Shares	None	None	1.20%
E Shares	Up to 1%	None	0.30%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.50%
Z Shares	None	None	Up to 0.60%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[2] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Swiss Equity

Investment Objective

The Fund aims to provide capital growth in excess of the Swiss Performance Index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Swiss companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Swiss companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the Swiss Performance Index and compared against the Swiss Leaders Index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Mainstream Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking long term growth potential offered through investment in equities.

Fund Characteristics

Fund Currency	CHF
Investment Manager	Schroder Investment Management (Switzerland) AG
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.25%
AX Shares	Up to 5%	None	1.25%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.25%
C Shares	Up to 1%	None	0.75%
CN Shares	Up to 3%	None	0.75%
CX Shares	Up to 1%	None	0.75%
D Shares	None	1.00%	1.25%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Swiss Small & Mid Cap Equity

Investment Objective

The Fund aims to provide capital growth in excess of the Swiss Performance Index Extra after fees have been deducted over a three to five year period by investing in equity and equity related securities of small and mid-sized Swiss companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small and mid-sized Swiss companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the Swiss equities market.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the Swiss Performance Index Extra and compared against the Morningstar Switzerland Small/Mid Cap Equity Category. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	CHF
Investment Manager	Schroder Investment Management (Switzerland) AG
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund Taiwanese Equity

Investment Objective

The Fund aims to provide capital growth in excess of the TAIEX Total Return index after fees have been deducted over a three to five year period by investing in equity and equity related securities of Taiwanese companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in the equity and equity related securities of Taiwanese companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the TAIEX Total Return index and compared against the Morningstar Taiwan Equity Category. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

Risk Considerations

Specific Risk Considerations

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Hong Kong) Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	1.00%
CN Shares	Up to 3%	None	1.00%
CX Shares	Up to 1%	None	1.00%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund UK Equity

As of 7 December 2026 the Fund's name will change to Schroder International Selection Fund European Core Equity

Investment Objective

The Fund aims to provide capital growth in excess of the FTSE All Share Total Return index after fees have been deducted over a three to five year period by investing in equity and equity related securities of UK companies.

As of 7 December 2026 the Investment Objective section will change to:

The Fund aims to provide capital growth in excess of the MSCI Europe (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of European companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of UK companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the FTSE All Share Total Return index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

As of 7 December 2026 the Investment Policy section will change to:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of European companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Europe (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the FTSE All Share Total Return Index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

As of 7 December 2026 the Benchmark section will change to:

The Fund's performance should be assessed against its target benchmark being to exceed the MSCI Europe (Net TR) index and compared against the Morningstar Europe Large Cap Blend category. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Mainstream Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking long term growth potential offered through investment in equities.

Fund Characteristics

Fund Currency	GBP ***As of 7 December 2026 the Fund Currency will change to:*** EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.10%
AX Shares	Up to 5%	None	1.10%
A1 Shares	Up to 4%	0.50%	1.10%
B Shares	None	0.60%	1.10%
C Shares	Up to 1%	None	0.60%*
CN Shares	Up to 3%	None	0.60%*
CX Shares	Up to 1%	None	0.60%*
D Shares	None	1.00%	1.10%
E Shares	Up to 1%	None	0.30%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.60%*
Z Shares	None	None	Up to 0.60%*

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.
[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.
[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

**** As of 7 December 2026 the Annual Management Charge for the C, CN and CX share classes will change from 0.60% to 0.45%, and for the IZ, IA, IB, IC, ID and Z share classes will change from up to 0.60% to up to 0.45%.***

Schroder International Selection Fund US Equity Enhanced Income

Investment Objective

The Fund aims to deliver an income of 5% per year by investing in equities or equity related securities of large-sized US companies. This is not guaranteed and could change depending on market conditions.

Investment Policy

The Fund is actively managed and invests at least two thirds of its assets in equity and equity related securities of large-sized US companies which, at the time of purchase, are in the top 500 companies by market capitalisation of the US equities market. The Fund's equity portfolio is constructed using a risk-based index replication-style strategy, that looks to provide exposure representative of the S&P 500 (Net TR) index. To enhance the yield of the Fund, the Investment Manager selectively sells short-dated call options over individual securities held by the Fund, portfolios of securities or indices, generating extra income by agreeing strike prices above which potential capital growth is sold.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against the income target of 5% per year, and compared against the S&P 500 (Net TR) Index, which is a constraining benchmark, and the Morningstar US Equity Income Category. The Fund's investment universe is expected to overlap materially with the components of the S&P 500 (Net TR) Index.

The Investment Manager will use discretion to vary the weightings in the benchmark's securities. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

The income target has been selected because the Investment Manager deploys strategies that aim to deliver the level of income stated in the investment objective. The constraining benchmark has been selected because the Investment Manager is constrained by reference to the value, price or components of that benchmark. The Morningstar US Equity Income Category has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Further Information

The Fund is categorised as "Specialist Equity Fund".

Risk Considerations

Specific Risk Considerations

This Fund makes use of derivatives in a way that is fundamental to its investment objective. It is expected that the strategy will typically underperform a similar portfolio with no derivatives overlay in periods when the underlying stock prices are rising, and outperform when the underlying stock prices are falling.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	0.58%
AX Shares	Up to 5%	None	0.58%
A1 Shares	Up to 4%	0.50%	0.58%
B Shares	None	0.60%	0.58%
C Shares	Up to 1%	None	0.29%
CN Shares	Up to 3%	None	0.29%
CX Shares	Up to 1%	None	0.29%
D Shares	None	1.00%	0.29%
E Shares	N/A	N/A	N/A
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.29%
Z Shares	None	None	Up to 0.29%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund US Dollar Bond

Investment Objective

The Fund aims to provide income and capital growth in excess of the Bloomberg US Aggregate Bond (TR) index after fees have been deducted over a three to five year period by investing in fixed and floating rate securities denominated in USD.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities, including asset-backed securities and mortgage-backed securities, denominated in USD, issued by governments, government agencies and companies worldwide.

The Fund invests in the full credit spectrum of fixed income investments. The Fund may invest:

- up to 40% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds); and
- up to 70% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may use leverage.

The Fund maintains a higher overall sustainability score than the Bloomberg US Aggregate Bond (TR) index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the Bloomberg US Aggregate Bond (TR) index and compared against the Morningstar USD Diversified Bond Category. The Fund's investment universe is expected to overlap to a limited extent with the components of the target benchmark. However, the Fund will likely reflect certain features of the target benchmark (namely currency exposure). The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Mainstream Bond Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Risk Management Method

Relative Value-at-Risk (VaR)

VaR Benchmark

Bloomberg US Aggregate Bond Index. This index measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS and CMBS.

Expected Leverage

200% of the total net assets

The expected level of leverage may be higher when volatility decreases sustainably, when interest rates are expected to change or when credit spreads are expected to widen or tighten.

This Fund is not a leveraged financial instrument

The Fund utilises financial derivative instruments for investment purposes and the global exposure is monitored under the relative VaR approach in line with UCITS Risk Measurement Rules. Whilst these instruments generate leverage, the Fund itself is not a leveraged financial instrument as further described in the MIFID Directive. For further details on the relative VaR approach please see Appendix 1. In addition to this regulatory restriction, Schroders implements internal controls on global exposure to constrain and/or highlight global exposure as appropriate.

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking to combine capital growth opportunities with income in the relative stability of the debt markets over the long term.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management North America Inc.
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 3%	None	0.75%
AX Shares	Up to 3%	None	0.75%
A1 Shares	Up to 2%	0.50%	0.75%
B Shares	None	0.50%	0.75%
C Shares	Up to 1%	None	0.50%
CN Shares	Up to 3%	None	0.50%
CX Shares	Up to 1%	None	0.50%
D Shares	None	1.00%	0.75%
E Shares	Up to 1%	None	0.25%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.50%
Z Shares	None	None	Up to 0.50%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund US Large Cap

Investment Objective

The Fund aims to provide capital growth in excess of the Standard & Poor's 500 (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of large-sized US companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in the equity and equity related securities of large-sized US companies. Large-sized companies are companies which, at the time of purchase, are considered to be in the top 85% by market capitalisation of the US equities market.

The Fund may invest in the equity securities of non-US companies provided they are listed on one of the major North American stock exchanges.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Standard & Poor's 500 (Net TR) index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark, being to exceed the Standard & Poor's 500 (Net TR) index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Mainstream Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are seeking long term growth potential offered through investment in equities.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management (Europe) S.A. – German Branch
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.25%
AX Shares	Up to 5%	None	1.25%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.25%
C Shares	Up to 1%	None	0.55%
CN Shares	Up to 3%	None	0.55%
CX Shares	Up to 1%	None	0.55%
D Shares	None	1.00%	1.25%
E Shares	Up to 1%	None	0.375%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.75%
Z Shares	None	None	Up to 0.75%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund US Small & Mid-Cap Equity

Investment Objective

The Fund aims to provide capital growth in excess of the Russell 2500 Lagged (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of small and mid-sized US companies.

Investment Policy

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small and mid-sized US companies. These are companies which, at the time of purchase, are considered to be in the bottom 40% by market capitalisation of the US equities market.

The Fund invests in a broad range of small and mid-sized US companies. The investment approach focuses on three types of US companies: companies that the Investment Manager believes demonstrate strong growth trends and improving levels of cash; companies which the Investment Manager believes generate dependable earnings and revenues; and companies that the Investment Manager believes are undergoing positive change that is not being recognised by the market. By doing so, the Investment Manager believes that we can reduce overall risk and improve returns for our investors over the medium to long term.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the S&P Mid Cap 400 Lagged (Net TR) Index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the Russell 2500 Lagged (Net TR) index and compared against the Morningstar US Mid-Cap Equity Category and the S&P Mid Cap 400 Lagged (Net TR) Index. The Fund's investment universe is expected to overlap materially with the components of the target benchmark and the S&P Mid Cap 400 Lagged (Net TR) Index. The comparator benchmarks are only included for performance comparison purposes and do not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark or the S&P Mid Cap 400 Lagged (Net TR) Index. The Investment Manager will invest in companies or sectors not included in the target benchmark or the S&P Mid Cap 400 Lagged (Net TR) Index in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmarks have been selected because the Investment Manager believes that each benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has environmental and/or social characteristics (within the meaning of Article 8 SFDR). A Fund with these characteristics may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management North America Inc.
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day

Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.85%
CN Shares	Up to 3%	None	0.85%
CX Shares	Up to 1%	None	0.85%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund US Smaller Companies Impact

Investment Objective

The Fund aims to provide capital growth in excess of the Russell 2000 Lagged (Net TR) index after fees have been deducted over a three to five year period by investing in equity and equity related securities of small-sized US companies whose activities the Investment Manager considers create positive social or environmental impact and which the Investment Manager deems to be sustainable investments.

Investment Policy

The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs, and to deliver returns to shareholders over the long term, and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Investment Manager will select companies from a universe of eligible companies that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of the company's contribution to the UN SDGs alongside the Investment Manager's assessment of the company's impact via its proprietary impact investment management framework and tools (including an impact scorecard).

The Fund is part of Schroders' Impact Driven strategies. As such, it applies highly selective investment criteria and its investment process is aligned with the Operating Principles for Impact Management which means that an assessment of impact is embedded in the steps of the investment process. All sustainable investments in the Fund are subject to this framework.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to seek to improve sustainability practices and enhance social and environmental impacts generated by underlying investee companies. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/.

The Fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of small-sized US companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the US equities market. The Fund typically holds 40 – 60 companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Benchmark

The Fund's performance should be assessed against its target benchmark being to exceed the Russell 2000 Lagged (Net TR) index and compared against the Morningstar US Small-Cap Equity Category. The Fund's investment universe is expected to overlap materially with the components of the target benchmark. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the target benchmark. The Investment Manager will invest in companies or sectors not included in the target benchmark in order to take advantage of specific investment opportunities.

The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager believes that it is a suitable comparison for performance purposes given the Fund's investment objective and policy.

The benchmark(s) does/do not take into account the environmental and social characteristics or sustainable objective (as relevant) of the Fund.

Further Information

The Fund is categorised as "Specialist Equity Fund".

More information relating to the environmental and social characteristics or sustainable investment objective (as applicable) of the Fund is provided in Appendix IV in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Risk Considerations

Specific Risk Considerations

The Fund has the objective of sustainable investment (within the meaning of Article 9 SFDR). A Fund with this objective may have limited exposure to some companies, industries or sectors as a result and the Fund may forego certain investment opportunities, or dispose of certain holdings, that do not align with its sustainability criteria chosen by the Investment Manager. As Investors may differ in their views of what constitutes sustainable investing, the Fund may also invest in companies that do not reflect the beliefs and values of any particular Investor. Please refer to Appendix II for more details on sustainability risks.

The reference in the Investment Policy to a fund investing two-thirds of its assets in a certain way applies in normal market conditions. See paragraph (A) at the start of this Appendix for further information.

The level of distribution costs in certain jurisdictions may impact the ability of the Investment Manager to meet the Fund's investment objective across all Share Classes after fees have been deducted.

Profile of the Typical Investor

The Fund may be suitable for Investors who are more concerned with maximising long term returns than minimising possible short term losses.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management North America Inc.
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	3 Business Days from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	Up to 5%	None	1.50%
AX Shares	Up to 5%	None	1.50%
A1 Shares	Up to 4%	0.50%	1.50%
B Shares	None	0.60%	1.50%
C Shares	Up to 1%	None	0.85%
CN Shares	Up to 3%	None	0.85%
CX Shares	Up to 1%	None	0.85%
D Shares	None	1.00%	1.50%
E Shares	Up to 1%	None	0.50%
IZ, IA, IB, IC, ID Shares	None	None	Up to 1%
Z Shares	None	None	Up to 1%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Specific investment objectives and investment policies of the Money Market Funds

This section contains additional information applicable to the Funds which qualify as Money Market Funds. The general provisions of the Prospectus also apply to the Money Market Funds, unless otherwise provided below.

Schroder International Selection Fund EURO Liquidity

This Fund qualifies as a Standard Variable Net Asset Value Money Market Fund in accordance with the provisions of the MMFR.

Investment Objective

The Fund aims to provide income by investing in Money Market Instruments denominated in Euro. The Fund is designed to provide liquidity and aims to preserve the value of the investment in falling markets. The preservation of value or provision of liquidity cannot be guaranteed.

Investment Policy

The Fund is actively managed and invests in Money Market Instruments (at least rated investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies in addition to receiving a favourable assessment of their credit quality pursuant to the Management Company's internal credit quality assessment procedure) that are denominated in Euro and issued by government, government agencies and companies worldwide provided that (i) at the time of acquisition, the residual maturity of all such securities held in the portfolio does not exceed 12 months, taking into account any financial instruments connected therewith, or (ii) the terms and conditions governing those securities provide that the applicable interest rate is adjusted at least annually on the basis of market conditions and the residual maturity of all such securities does not exceed 2 years.

The Fund may use derivatives with the aim of hedging currency and interest rate risk. The Fund may also hold cash and make deposits with a credit institution.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against the FTSE EUR 1m Eurodeposit LC (TR) index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Profile of the Typical Investor

The Fund invests in fixed income securities which are near to maturity. It is designed to be a short term investment for investors who seek to limit losses in falling markets. It is not designed to be a long term investment. For full details of the risks applicable to investing in the Fund, please refer to Appendix II, "Risks of Investment".

Fund Characteristics

Fund Currency	EUR
Investment Manager	Schroder Investment Management Limited
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Settlement Period of Subscription and Redemption Proceeds [1]	1 Business Day from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
A Shares	None	None	0.20%
AX Shares	None	None	0.20%
A1 Shares	None	None	0.20%
B Shares	None	None	0.20%
C Shares	None	None	0.20%

[1] Different subscription and redemption procedures may apply if applications are made through Distributors.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Share Classes	Initial Charge [2]	Annual Distribution Charge [3]	Annual Management Charge
CN Shares	Up to 3%	None	0.20%
CX Shares	Up to 1%	None	0.20%
D Shares	N/A	N/A	N/A
E Shares	Up to 1%	None	0.10%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.20%
Z Shares	None	None	Up to 0.20%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[2] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[3] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Schroder International Selection Fund US Dollar Liquidity

This Fund qualifies as a Standard Variable Net Asset Value Money Market Fund in accordance with the provisions of the MMFR.

Investment Objective

The Fund aims to provide income by investing in Money Market Instruments denominated in US Dollar. The Fund is designed to provide liquidity and aims to preserve the value of the investment in falling markets. The preservation of value or provision of liquidity cannot be guaranteed.

Investment Policy

The Fund is actively managed and invests in Money Market Instruments (rated at least investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies in addition to receiving a favourable assessment of their credit quality pursuant to the Management Company's internal credit quality assessment procedure) that are denominated in US Dollar and issued by government, government agencies and companies worldwide provided that (i) at the time of acquisition, the residual maturity of all such securities held in the portfolio does not exceed 12 months, taking into account any financial instruments connected therewith, or (ii) the terms and conditions governing those securities provide that the applicable interest rate is adjusted at least annually on the basis of market conditions and the residual maturity of all such securities does not exceed 2 years.

The Fund may use derivatives with the aim of hedging currency and interest rate risk. The Fund may also hold cash and make deposits with a credit institution.

Benchmark

The Fund does not have a target benchmark. The Fund's performance should be compared against the ICE BofA US Treasury Bill (0-3m) index. The comparator benchmark is only included for performance comparison purposes and does not determine how the Investment Manager invests the Fund's assets. The Fund's investment universe is expected to overlap materially with the components of the comparator benchmark. The Investment Manager invests on a discretionary basis and there are no restrictions on the extent to which the Fund's portfolio and performance may deviate from the comparator benchmark. The Investment Manager will invest in companies or sectors not included in the comparator benchmark.

The comparator benchmark has been selected because the Investment Manager believes that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Fund Characteristics

Fund Currency	USD
Investment Manager	Schroder Investment Management North America Inc.
Dealing Cut-off Time	13.00 Luxembourg time on Dealing Day
Dealing Frequency	Daily on Dealing Day
Dealing Currency	Relevant Share Class's currency only [1]
Settlement Period of Subscription and Redemption Proceeds [2]	1 Business Day from the relevant Dealing Day
Performance Fee	None
Redemption Charge	None
PEA / PIR Eligibility	No

General Share Class Features

Share Classes	Initial Charge [3]	Annual Distribution Charge [4]	Annual Management Charge
A Shares	None	None	0.20%
AX Shares	None	None	0.20%
A1 Shares	None	None	0.20%
B Shares	None	None	0.20%
C Shares	None	None	0.20%
CN Shares	Up to 3%	None	0.20%
CX Shares	Up to 1%	None	0.20%

[1] The currency exchange service as described in Section 2 will not be available for this Fund

[2] Different subscription and redemption procedures may apply if applications are made through Distributors.

[3] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[4] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Share Classes	Initial Charge [3]	Annual Distribution Charge [4]	Annual Management Charge
D Shares	None	1.00%	0.20%
E Shares	Up to 1%	None	0.10%
IZ, IA, IB, IC, ID Shares	None	None	Up to 0.20%
Z Shares	None	None	Up to 0.20%

Annual Distribution Charge and Annual Management Charge percentages are stated as an annual charge with reference to the Net Asset Value of the Fund or the Net Asset Value per Share, as may be appropriate.

A share class hedging charge of up to 0.03% will be borne by the currency hedged Share Classes.

Not all Share Classes listed are available for subscription at the time of issue of this Prospectus. The Funds may also launch Bespoke Share Classes that are described under Appendix III at the Directors' discretion.

[3] The initial charge is applied against the total amount invested. The Management Company and Distributors are entitled to the initial charge, which can be partly or fully waived at the Directors' discretion.

[4] Annual Distribution Charges in respect of A1 and D Shares are paid at such intervals as may be agreed from time to time between the Management Company and those Distributors that are appointed specifically for the purpose of distributing such Shares. Annual Distribution Charges in respect of B Shares are payable quarterly.

Additional Information for Money Market Funds

Additional information to Shareholders

Shareholders' attention is drawn to the fact that:

- Money Market Funds are not a guaranteed investment;
- an investment in a Money Market Fund is different from an investment in deposits as the principal invested in a Money Market Fund is capable of fluctuation;
- the Company does not rely on external support for guaranteeing the liquidity of the Funds which qualify as Money Market Funds or stabilising the Net Asset Value per Share of those Funds; and
- the risk of loss of the principal is borne by the Shareholders.

In addition to the information made available to Shareholders in accordance with the main part of the Prospectus, the following information will able at the registered office of the Company and on the webpage of the Management Company (www.schroders.com) on a weekly basis:

- the maturity breakdown of the portfolio of the relevant Fund;
- the credit profile of the relevant Fund;
- the Weighted Average Maturity and the Weighted Average Life of the relevant Fund;
- details of the 10 largest holdings in the Fund, including the name, country, maturity and asset type, the counterparty in the case of repurchase and reverse repurchase agreements (if applicable);
- the total value of the relevant Fund; and
- the net yield of the relevant Fund.

In addition, the Net Asset Value per Share of the Share Classes of the Funds shall be made available on the abovementioned webpage on a daily basis.

Specific provisions relating to the calculation of the Net Asset Value per Share of Funds qualifying as Money Market Funds

The Net Asset Value per Share shall be rounded to the nearest basis point or its equivalent when the Net Asset Value is published in a currency unit.

By derogation to the section 2.4. "Calculation of Net Asset Value" above, the assets of Funds qualifying as Money Market Funds will be valued using the following valuation principles:

(A) Liquid assets and Money Market Instruments will be valued at Mark-to-Market or Mark-to-Model where the use of Mark-to-Market is not possible or the market data is not of sufficient quality;

(B) Shares or units of Money Market Funds shall be valued at their last available net asset value as reported by such money market funds;

(C) The value of any cash on hand or on deposit and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid, and not yet received shall be deemed to be the full amount thereof, unless, however, the same is unlikely to be paid or received in full, in which case the value thereof shall be determined conservatively by using Mark-to-Model;

(D) Any assets or liabilities in currencies other than the Fund Currency (as defined in this Appendix) will be converted using the relevant spot rate quoted by a bank or other recognised financial institution

The assets of Funds qualifying as Money Market Funds shall be valued on at least a daily basis.

The Net Asset Value per Share shall be calculated as the difference between the sum of all assets of the Fund and the sum of all liabilities of the Fund valued in accordance with Mark-to-Market or Mark-to-Model, or both, divided by the number of outstanding Shares of the Fund.

Shares of a Fund shall be issued or redeemed at a price that is equal to the relevant Net Asset Value per Share calculated on the Dealing Day (plus any applicable initial charge or less any applicable redemption charge).

Investment restrictions and portfolio rules

Specific investment restrictions

The Directors have adopted the following restrictions in relation to the investments of the Funds qualifying as Standard Variable Net Asset Value Money Market Funds. These restrictions and policies may be amended from time to time by the Directors should they deem it to be in the best interest of the Company. In this case, the Prospectus will be updated.

(A) Each Fund may exclusively invest in the following eligible assets:

(1) Money Market Instruments that fulfil all of the following requirements:

(I) It falls within the following categories:

(a) Money Market Instruments admitted to or dealt in on a Regulated Market, admitted to official listing on a stock exchange; and/or

(b) Money Market Instruments other than those dealt in on a Regulated Market, if the issue or the issuer of such instruments are themselves regulated for the purpose of protecting investors and savings, and provided that such instruments are:

(i) issued or guaranteed by a central, regional or local authority or by a central bank of an EU Member State, the European Central Bank, the EU or the European Investment Bank, a non-EU Member State or, in case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more EU Member States belong; or

(ii) issued by an undertaking, any securities of which are dealt in on Regulated Markets referred to in (1) (I) (a) above; or

(iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria defined by EU law, or by an establishment which is subject to and complies with prudential rules considered by the CSSF to be at least as stringent as those laid down by EU law; or

(iv) issued by other bodies belonging to the categories approved by the CSSF provided that investments in such instruments are subject to investor protection equivalent to that laid down in (i), (ii) and (iii) above and provided that the issuer is a company whose capital and reserves amount to at least EUR 10,000,000 and which presents and publishes its annual accounts in accordance with Directive 2013/34/EU, is an entity which, within a group of companies which includes one or several listed companies, is dedicated to the financing of the group or is an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

(II) it displays one of the following alternative characteristics:

(a) it has a legal maturity at issuance of 397 days or less;

(b) it has a residual maturity of 397 days or less;

(c) it has a residual maturity until the legal redemption date of less than or equal to 2 years provided that the time remaining to the next interest rate reset date is 397 days or less. For that purpose, floating-rate Money Market Instruments and fixed-rate Money Market Instruments hedged by a swap arrangement shall be reset to a money market rate or index.

(III) the issuer of the Money Market Instrument and the quality of the Money Market Instrument have received a favourable assessment pursuant to the internal credit quality assessment procedure established by the Management Company;

This requirement shall not apply to Money Market Instruments issued or guaranteed by the EU, a central authority or central bank of an EU Member State, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European Financial Stability Facility.

(IV) where the Funds invest in a securitisation or ABCP, it is subject to the requirements laid down in (A) (2) below.

(2) (I) Eligible securitisations and ABCPs provided that the securitisation or ABCP is sufficiently liquid, has received a favourable assessment pursuant to the internal credit quality assessment procedure established by the Management Company, and is any of the following:

(a) a securitisation referred to in Article 13 of Commission Delegated Regulation (EU) 2015/61 [5];

(b) an ABCP issued by an ABCP programme which:

(i) is fully supported by a regulated credit institution that covers all liquidity, credit and material dilution risks, as well as ongoing transaction costs and ongoing programme-wide costs related to the ABCP, if necessary to guarantee the investor the full payment of any amount under the ABCP;

(ii) is not a re-securitisation and the exposures underlying the securitisation at the level of each ABCP transaction do not include any securitisation position;

(iii) does not include a synthetic securitisation as defined in point (11) of Article 242 of Regulation (EU) No 575/2013 [6] ;

(c) a simple, transparent and standardised (STS) securitisation, as determined in accordance with the criteria and conditions laid down in Articles 20, 21 and 22 of Regulation (EU) 2017/2402 of the European Parliament and of the Council, or an STS ABCP as determined in accordance with the criteria and conditions laid down in Articles 24, 25 and 26 of that Regulation.

(II) The Fund may invest in the securitisations or ABCPs provided any of the following conditions is fulfilled, as applicable:

(a) The legal maturity at issuance or residual maturity of the securitisations and ABCPs referred to in (I) (a) (b) and (c) above is two years or less and the time remaining until the next interest rate reset date is 397 days or less;

(b) The securitisations referred to in points (I) (a) and (c) above are amortising instruments and have a WAL of two years or less.

(3) Deposits with credit institutions provided that all of the following conditions are fulfilled:

(I) the deposit is repayable on demand or is able to be withdrawn at any time;

(II) the deposit matures in no more than 12 months;

[5] Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 to supplement Regulation (EU) No 575/2013 of the European Parliament and the Council with regard to liquidity coverage requirement for Credit Institutions.

[6] Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.

(III) the credit institution has its registered office in a EU Member State or, where the credit institution has its registered office in a third country, it is subject to prudential rules considered equivalent to those laid down in EU Law in accordance with the procedure laid down in Article 107(4) of Regulation (EU) No 575/2013.

(4) Repurchase agreements provided that all the following conditions are fulfilled:

(I) It is used on a temporary basis, for no more than seven working days, only for liquidity management purposes and not for investment purposes other than as referred to in point (III) below.

(II) The counterparty receiving assets transferred by the relevant Fund as collateral under the repurchase agreement is prohibited from selling, investing, pledging or otherwise transferring those assets without the prior consent of the Company;

(III) The cash received by the relevant Fund as part of the repurchase agreement is able to be:

(a) placed on deposits in accordance with (3) above; or

(b) invested in liquid transferable securities or Money Market Instruments other than those referred to in (A) (1) above provided that those assets comply with one of the following conditions:

(i) they are issued or guaranteed by the Union, a central authority or central bank of a Member State of the EU, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European Financial Stability Facility provided that a favourable assessment has been received pursuant to the internal credit rating assessment procedure established by the Management Company;

(ii) they are issued or guaranteed by a central authority or central bank of a non-EU Member State, provided that a favourable assessment has been received pursuant to the internal credit rating assessment procedure of the Management Company.

Cash received by the relevant Fund as part of the repurchase agreement shall not otherwise be invested in other assets, transferred or otherwise reused.

(IV) Cash received by the relevant Fund as part of the repurchase agreement that is not centrally cleared through a CCP authorised in accordance with Article 14 of EMIR or recognised in accordance with Article 25 of EMIR does not exceed 10% of its assets.

(V) Cash received by the relevant Fund as part of the repurchase agreement that is centrally cleared through a CCP authorised in accordance with Article 14 of EMIR or recognised in accordance with Article 25 of EMIR does not exceed 15% of its assets.

(VI) The Company has the right to terminate the agreement at any time upon giving prior notice of no more than two working days.

(5) Reverse repurchase agreements provided that all of the following conditions are fulfilled:

(I) the Fund has the right to terminate the agreement at any time upon giving prior notice of no more than two working days;

(II) the assets received by the Fund as part of a reverse repurchase agreement shall:

(a) be Money Market Instruments that fulfil the requirements set out in (A) (1) above

(b) not include securitisations and ABCPs;

(c) have a market value which is at all times at least equal to the cash paid out;

(d) not be sold, reinvested, pledged or otherwise transferred;

(e) be sufficiently diversified with a maximum exposure to a given issuer of 15% of the Fund's Net Asset Value except where those assets take the form of Money Market Instruments that fulfil the requirements of (C) (1) (VIII) below.

(f) be issued by an entity that is independent from the counterparty and is expected not to display a high correlation with the performance of the counterparty;

By way of derogation from (a) above, the Fund may receive as part of a reverse repurchase agreement liquid transferable securities or Money Market Instruments other than those referred to in (A) (1) above provided that those assets comply with one of the following conditions:

(i) they are issued or guaranteed by the Union, a central authority or central bank of a Member State of the EU, the European Central Bank, the European Investment Bank, the European Stability Mechanism or the European Financial Stability Facility provided that a favourable assessment has been received pursuant to the internal credit rating assessment procedure established by the Management Company;

(ii) they are issued or guaranteed by a central authority or central bank of a non-EU Member State, provided that a favourable assessment has been received pursuant to the internal credit rating assessment procedure of the Management Company;

The assets received as part of a reverse repurchase agreement in accordance with the above shall fulfil the diversification requirements described under (C) (1) (VIII).

(III) The Company shall ensure that it is able to recall the full amount of cash at any time on either an accrued basis or a Mark-to-Market basis. When the cash is recallable at any time on a Mark-to-Market basis, the Mark-to-Market value of the reverse repurchase agreement shall be used for the calculation of the Net Asset Value per Share of the relevant Fund.

(6) Units or shares of any other standard or short-term Money Market Fund ("targeted MMF") provided that all of the following conditions are fulfilled:

(I) no more than 10 % of the assets of the targeted MMF are able, according to its fund rules or instruments of incorporation, to be invested in aggregate in units or shares of targeted MMFs.

(II) the targeted MMF does not hold units or shares of the acquiring Fund.

(III) the targeted MMF is authorised under the MMF Regulation.

(7) Financial derivative instruments provided that they are dealt in on a stock exchange or a Regulated Market or OTC provided that all of the following conditions are fulfilled:

(I) the underlying of the financial derivative instrument consists of interest rates, foreign exchange rates, currencies or indices representing one of those categories;

(II) the financial derivative instrument serves only the purpose of hedging the interest rate or exchange rate risks inherent in other investments of the Fund;

(III) the counterparties to OTC derivative transactions are institutions subject to prudential regulation and supervision and belonging to the categories approved by the CSSF;

(IV) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the Company's initiative.

(B) The Company may hold ancillary liquid assets in accordance with Article 41(2) of the Law.

(C) (1) (I) The Company will invest no more than 5% of the assets of any Fund in Money Market Instruments, securitisations and ABCPs issued by the same body.

The Company may not invest more than 10% of the assets of such Fund in deposits made with the same credit institution, unless the structure of the Luxembourg banking sector is such that there are insufficient viable credit institutions to meet that diversification requirement and it is not economically feasible for the Fund to make deposits in another Member State of the EU, in which case up to 15 % of its assets may be deposited with the same credit institution.

(II) By way of derogation from (C) (1) (I) above, a Fund may invest up to 10% of its assets in Money Market Instruments, securitisations and ABCPs issued by the same body provided that the total value of such Money Market Instruments, securitisations and ABCPs held by the relevant Fund in each issuing body in which it invests more than 5 % of its assets does not exceed 40 % of the value of its assets.

(III) The aggregate of all of a Fund's exposures to securitisations and ABCPs shall not exceed 20% of its assets, whereby up to 15% of that Fund's assets may be invested in securitisations and ABCPs that do not comply with the criteria for the identification of STS securitisations and ABCPs.

(IV) The aggregate risk exposure to the same counterparty of a Fund stemming from derivative transactions which fulfil the conditions set out in (A) (7) above and which are not centrally cleared through a CCP authorised in accordance with Article 14 of EMIR or recognised in accordance with Article 25 of EMIR shall not exceed 5% of the assets of the relevant Fund.

(V) The aggregate amount of cash provided to the same counterparty of the Company acting on behalf of a Fund in reverse repurchase agreements that are not centrally cleared through a CCP authorised in accordance with Article 14 of EMIR or recognised in accordance with Article 25 of EMIR shall not exceed 15 % of the assets of that Fund.

(VI) Where a reverse repurchase agreement is centrally cleared through a CCP authorised in accordance with Article 14 of EMIR or recognised in accordance with Article 25 of EMIR, the cash provided by a Fund as part of each reverse repurchase agreement shall not exceed 15% of the assets of that Fund.

(VII) Notwithstanding the individual limits laid down in paragraphs (C) (1) (I) and (IV), the Company shall not combine, where to do so would result in an investment of more than 15 % of a Fund's assets in a single body, any of the following:

(a) investments in Money Market Instruments, securitisations and ABCPs issued by that body, and/or

(b) deposits made with that body, and/or

(c) financial derivative instruments that are not centrally cleared through a CCP authorised in accordance with Article 14 of EMIR or recognised in accordance with Article 25 of EMIR, giving counterparty risk exposure to that body.

(VIII) The limit of 15% laid down in (C) (1) (VI) above would be increased to a maximum of 20% in Money Market Instruments, deposits and derivative transactions of that single body to

the extent the structure of the Luxembourg financial market would be such that there are insufficient viable financial institutions to meet that diversification requirement and it is not economically feasible for the Company to use financial institutions in other Member States of the EU.

(IX) **Notwithstanding the provisions outlined in (C) (1) (I), the Company is authorised to invest more than 5% and up to 100% of the assets of any Fund, in accordance with the principle of risk spreading, in Money Market Instruments issued or guaranteed separately or jointly by the EU, the national, regional and local administrations of the Member States of the EU or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a member state of the OECD, Group of Twenty or Singapore, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which one or more Member States of the EU belong, provided that such Fund must hold Money Market Instruments from at least six different issues by the issuer and that the Fund limits the investments in Money Market Instruments from the same issue to a maximum of 30% of the assets of such Fund.**

(X) The limit laid down in the first paragraph of (C) (1) (I) may be of a maximum of 10% for certain bonds when they are issued by a single credit institution which has its registered office in a Member State of the EU and is subject by law, to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in accordance with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attached to the bonds and which, in case of failure of the issuer, would be used on a priority basis for the repayment of the principal and payment of accrued interest.

(XI) If a Fund invests more than 5% of its assets in the bonds referred to in the above paragraph and issued by a single issuer, the total value of such investments shall not exceed 40% of the value of the assets of the Fund.

(XII) Notwithstanding the individual limits laid down in (C) (1) (I) the Fund may invest no more than 20 % of its assets in bonds issued by a single credit institution where the requirements set out in point (f) of Article 10(1) or point (c) of Article 11(1) of Delegated Regulation (EU) 2015/61 are met, including any possible investment in assets referred to in (C) (1) (IX) and (X) above.

Where a Fund invests more than 5 % of its assets in the bonds referred to in the above paragraph issued by a single issuer, the total value of those investments shall not exceed 60 % of the value of the assets of the relevant Fund, including any possible investment in assets referred to in (C) (1) (IX) and (X) above, respecting the limits set out therein.

Companies which are part of the same group for the purposes of the establishment of consolidated accounts, as defined in accordance with Directive 2013/34/EU or in accordance with recognised international accounting rules, are regarded as a single body for the purpose of calculating the limits contained in section (C) (1) (I) to (VII).

(D) (1) The Company may not acquire on behalf of any Fund more than 10% of Money Market Instruments, securitisations and ABCPs issued by a single body.

(2) Paragraph (D)(1) above is waived as regards Money Market Instruments issued or guaranteed by the EU, national, regional and local administrations of the Member States of the EU or their central banks, the European Central Bank, the European Investment Bank, the European Investment Fund, the European Stability Mechanism, the European Financial Stability Facility, a central authority or central bank of a third country, the International Monetary Fund, the International Bank for Reconstruction and Development, the Council of Europe Development Bank, the European Bank for Reconstruction and Development, the Bank for International Settlements, or any other relevant international financial institution or organisation to which one or more Member States of the EU belong.

(E) (1) Unless explicitly otherwise mentioned in its investment policy, a Fund may not invest more than 10% of its assets in units or shares of targeted MMFs as defined under paragraph (A) (6).

(2) A Fund may acquire units or shares of another targeted MMF provided that it represents no more than 5% of a Fund's assets.

(3) Any Fund which is allowed to derogate from item (E) (1) above may not invest in aggregate more than 17.5% of its assets in units or shares of other targeted MMFs.

(4) By derogation to (2) and (3) above, any Fund may either:

(I) be a feeder MMF investing at least 85% of its assets in one other single targeted MMF UCITS in accordance with Article 58 of the UCITS Directive; or

(II) invest up to 20% of its assets in another single targeted MMF with a maximum of 30% in aggregate of its assets in targeted MMFs which are not UCITS in accordance with Article 55 of the UCITS Directive,

provided that the following conditions are met:

(a) the relevant Fund is marketed solely through an employee savings scheme governed by national law and which has only natural persons as investors;

(b) the employee savings scheme referred to above only allows investors to redeem their investment subject to restrictive redemption terms which are laid down in national law, whereby redemptions may only take place in certain circumstances that are not linked to market developments.

(5) Where the target MMF is managed, whether directly or under a delegation, by the Management Company or by any other company to which the Management Company is linked by common management or control, or by a substantial direct or indirect holding, the Management Company or that other company, is prohibited from charging subscription or redemption fees on account of the investment by the acquiring Fund in the units or shares of the targeted MMF.

In respect of a Fund's investments of more than 10% of its assets in the target MMF, (i) if the target MMF is linked to the Management Company as described in the preceding paragraph, there shall be no Annual Management Charge charged to that portion of the assets of the relevant Fund and (ii) in the other cases, the maximum level of Annual Management Charges that may be charged both to the Fund itself and to the target MMF will not exceed 1%. The Company will indicate in its annual report the total Annual Management Charges charged both to the relevant Fund and to the target MMF in which such Fund has invested during the relevant period.

(6) The underlying investments held by the targeted MMF in which a Fund invests do not have to be considered for the purpose of the investment restrictions set forth under (C) (1) (I) above.

(7) Any Fund may act as a master fund for other funds.

Notwithstanding the foregoing, a Fund may subscribe, acquire and/or hold securities to be issued or issued by one or more Fund(s) qualifying as Money Market Funds without the Company being subject to the requirements of the Law of 10 August 1915 on commercial companies, as amended, with respect to the subscription, acquisition and/or the holding by a company of its own shares, under the condition however that:

(I) the target Money Market Fund does not, in turn, invest in the relevant Fund invested in this target Money Market Fund; and

(II) no more than 10% of the assets that the target Money Market Funds whose acquisition is contemplated may be invested in units of other Money Market Funds; and

(III) voting rights, if any, attaching to the shares of the target Money Market Fund are suspended for as long as they are held by the Fund concerned and without prejudice to the appropriate processing in the accounts and the periodic reports; and

(IV) in any event, for as long as these securities are held by the Fund, their value will not be taken into consideration for the calculation of the net assets of the Fund for the purposes of verifying the minimum threshold of the net assets imposed by the Luxembourg Law.

(F) In addition the Company will not:

(1) invest in assets other than those referred to under (A) and (B) above;

(2) short sale Money Market Instruments, securitisations, ABCPs and units or shares of other Money Market Funds ;

(3) take direct or indirect exposure to equity or commodities, including via derivatives, certificates representing them, indices based on them, or any other means or instrument that would give an exposure to them.

(4) enter into securities lending agreements or securities borrowing agreements, or any other agreement that would encumber the assets of the Fund.

(5) borrowing and lending cash.

(G) The Company will in addition comply with such further restrictions as may be required by the regulatory authorities in which the Shares are marketed.

Portfolio rules

Standard Variable Net Asset Value Money Market Funds shall also comply on an ongoing basis with all of the following requirements:

(A) its portfolio is to have at all times a Weighted Average Maturity of no more than 6 months;

(B) its portfolio is to have at all times a Weighted Average Life of no more than 12 months, subject to the provisions of the MMFR;

(C) at least 7.5 % of its assets are to be comprised of daily maturing assets, reverse repurchase agreements (if any) which can be terminated by giving prior notice of one working day or cash which can be withdrawn by giving prior notice of one working day. A Fund is not to acquire any asset other than a daily maturing asset when such acquisition would result in that Fund investing less than 7.5 % of its assets in daily maturing assets;

(D) at least 15 % of its assets are to be comprised of weekly maturing assets, reverse repurchase agreements (if any) which can be terminated by giving prior notice of five working days or cash which can be withdrawn by giving prior notice of five working days. A Fund is not to acquire any asset other than a weekly maturing asset when such acquisition would result in that Fund investing less than 15 % of its assets in weekly maturing assets. Money Market Instruments or units or shares of other Money Market Funds may be included within the weekly maturing assets limit up to 7.5% of its assets provided they are able to be redeemed and settled within five working days.

If the abovementioned limits are exceeded for reasons beyond the control of the Company or as a result of the exercise of subscription or redemption rights, the Company

shall adopt as a priority objective the correction of that situation, taking due account of the interest of its Shareholders.

Repurchase and reverse repurchase agreements

The Company will comply with the Regulations and in particular the MMFR, the CSSF circular 14/592 relating to ESMA guidelines on ETFs and other UCITS issues and Regulation (EU) 2015/2365 of 25 November 2015 on transparency of securities financing transactions and of reuse.

Internal Credit Quality Assessment Procedure

In accordance with the MMFR, and relevant delegated acts supplementing the MMFR, the Management Company has established, implemented and consistently applies a customized internal credit quality assessment procedure based on prudent, systematic and continuous assessment methodologies for systematically determining the credit quality of the instruments held in the portfolio of the Funds that qualify as Money Market Funds within the meaning of the MMFR.

An effective process has been established by the Management Company to ensure that relevant information on the issuer and the instrument's characteristics are obtained and kept up-to-date. This information includes, but is not limited to, detail on each issuer's financial accounts, business profile, and the quality of management in addition to industry and market trends.

Determination of credit risk of an issuer or guarantor will be made based on an independent analysis of the issuer's or guarantor's ability to repay its debt obligations which uses a mixture of quantitative and qualitative information. The persons in charge of the implementation of internal credit quality assessment procedure constitute a team of credit analysts under the responsibility of the Management Company. The determination of credit risk shall include the following elements, where applicable:

- Financial condition and analysis of recent financial statements;
- Assessment of the issuer's liquidity profile including sources of liquidity;
- Ability to react to future market-wide and issuer- or guarantor-specific events, including the ability to repay in a highly adverse situation;
- Strength of the issuer's or guarantor within the economy and relative to economic trends and competitive position;
- Credit quality direction (which is an absolute view of how an issuer's credit quality is expected to evolve in the market);
- Sector rankings (they are made on a relative risk basis, linking a credit quality direction with an analyst's view of what is forecast to happen to an issue in the market);
- The rating and outlook provided by external credit rating agencies.

In order to quantify the credit risk of an issuer or guarantor and the relative risk of default of an issuer or guarantor and of an instrument, the following quantitative criteria will be used in the credit quality assessment methodology:

- Bond pricing information, including credit spreads and pricing of comparable fixed income instruments and related securities;
- Pricing of money market instruments relevant to the issuer or guarantor, instrument or industry sector;
- Credit default-swap pricing information, including credit default-swap spreads for comparable instruments;
- Default statistics relating to the issuer or guarantor, instrument, or industry sector;
- Financial indices relevant to the geographic location, industry sector or asset class of the issuer or instrument;
- Financial information relating to the issuer or guarantor, including profitability ratios, interest coverage leverage metrics, pricing of new issues including the existence of more junior securities.

Specific criteria for the qualitative assessment of the issuer or guarantor and of an instrument as designated by the Management Company will include:

(A) Credit Assessment of the issuer or guarantor of the instrument

  (1) The financial condition of the issuer

    (I) Analysis of the sovereign including explicit and contingent liabilities, the size of foreign exchange reserves and any foreign exchange liabilities etc.

    (II) Analysis of the industry and market in which the issuer operates, and its position within it.

  (2) The financial condition of the guarantor

  (3) The condition of government support

    (I) The level of government ownership or the point at which intervention will take place

    (II) Debt protection or business/financial support

    (III) National policy and the level of economic/ systematic importance

(B) The liquidity of the instrument

  (1) The amount of the issue outstanding

  (2) The instruments liquidity as measured by both internal and external liquidity risk applications

(C) The issuer's rating from external credit rating agencies

  (1) External credit ratings are not relied upon, but are used as an initial threshold for suitability using a minimum rating by internationally recognized statistical rating organizations determined by the Management Company.

There will be no mechanistic over-reliance on external ratings given, amongst other factors, the external rating is not forward-looking in nature. Independent, fundamental analysis will therefore be undertaken in order to come to an informed view.

The qualitative and quantitative inputs on which the credit quality assessment methodology is based will be of a reliable nature and well-documented.

Based on the analysis completed, a global favorable or unfavorable assessment on the issuer and on the instrument will be delivered. Unfavorable assessments result automatically in the impossibility of a transaction. Favorable assessments permit the issuer's inclusion on the approved list of issuers, making transactions possible but do not systematically end with a transaction. Each approved issuer is assigned a maximum maturity for which its issues can be held.

The credit quality of individual issuers is reviewed and updated on a continuous basis. Proactive monitoring of public information that may impact an issuer's credit quality is key part of the dynamic research process.

In case an issuer's credit quality declines the instruments of which are held in the portfolio of a Fund, the issuer may be designated "do not roll". In these instances, the instruments are either (i) sold or (ii) allowed to expire. In this latter case, the assessment of the credit quality of the instrument must remain favorable and further issues of the same issuer will not be purchased until such a point it recovers a credit quality sufficient to conclude to a favorable assessment of the instruments it issues.

The credit quality assessment methodologies are reviewed at least on annual basis by the Management Company and more often if necessary.

In case there is a material change, within the meaning of the MMFR, that could have an impact on the existing assessment of an instrument or on the credit quality methodologies, a new credit quality assessment will be performed and/or credit quality methodologies will be updated.

Stress scenario analysis is performed at both an individual issuer and a total portfolio level. In the case of individual issuers, stress scenario analysis forms an integral part of the credit research process. It is performed in order to test the robustness of the assumptions used in the credit research process and to ensure that individual issuers are suitably resilient under potentially challenging conditions. Key factors involved in historical scenarios are used to inform forward-looking assumptions of potential future scenarios. Stress scenario analysis is performed on-desk by a dedicated team of credit analysts using proprietary systems, and is performed as frequently as may be necessary.

Appendix IV

Pre-contractual Disclosures

Information relating to the environmental and social characteristics or sustainable investment objectives of the Funds is provided in the following Appendix in accordance with SFDR and Commission Delegated Regulation (EU) 2022/1288.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund AAA Flexible ABS

Legal entity identifier: 636700GQ961ANWAO0935

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **__%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☑ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund only invests in assets deemed above a minimum threshold based on the Investment Manager's rating system.

Securities are ranked across Environmental, Social and Governance factors using a scorecard system and are awarded points on a 100-point /100 percent scale. These scores are then translated into a scoring system of 1-star – 5-stars, with a score of 5-stars deemed the highest. The Investment Manager ensures that at least 80% of the assets in the Fund are ranked in the top 3 Sustainability categories (3, 4, 5-stars) and will invest 100% of its assets in those ranked 2-stars or higher.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager uses different sustainability indicators to score each investment in the Fund dependent on the specific asset-type, e.g. whether the underlying secured assets are mortgages or commercial real estate or another asset type. Indicators are typically either quantitative, data-oriented measures or information provided following engagement with issuers. Indicators include but are not limited to environmental metrics such as environmental transition risk or physical risk, social indicators such as predatory lending risk or consumer education effort and governance metrics such as risk retention or clarity of roles. Compliance with the minimum required score is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

This question is not applicable for the Fund.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

This question is not applicable for the Fund.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

This question is not applicable for the Fund.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

This question is not applicable for the Fund.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes

☑ No, due to the nature of the Fund's assets, the Investment Manager is not able to adequately consider the principal adverse impacts on sustainability factors as these metrics only apply to investments in companies, sovereign debt and real estate.

However, the Investment Manager does consider adverse impacts relevant to the strategy in the following way:

- The Investment Manager ensures that investments are aligned with the UN Principles for Responsible Investment ("PRI"). All investments must be compliant with industry standards, be fair, and be fit-for purpose
- The Investment Manager's rating system takes into account adverse impacts on society such as the asset footprint on the environment or impact on climate change
- Investments that cannot meet minimum standards related to social, environmental or governance concerns are excluded from the portfolio. The list of excluded sectors is reviewed, updated and published quarterly.

What investment strategy does this financial product follow?

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least 80% of its assets in (i) AAA rated fixed and floating rate asset-backed securities (ABS) issued worldwide or (ii) fixed or floating rate securities issued by the governments of the US or UK, including government-guaranteed agency mortgage-backed securities.

The Fund allocates flexibly across ABS investments, which may include residential mortgage-backed securities (RMBS), commercial mortgage-backed securities (CMBS), collateralised loan obligations (CLOs) and credit risk transfer securities (CRTs). Other underlying assets of the ABS may also include, but are not limited to, credit card receivables, personal loans, auto loans, transportation finance and small business loans.

The Fund may invest up to 100% of its assets in CLOs.

The Fund will only invest in assets rated AA- or higher (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated securities and implied Schroders ratings for non-rated securities).

The Fund may also invest its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market instruments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Investment Manager assesses the sustainability credentials of potential investments using a proprietary tool. The Fund only invests in assets deemed above a minimum threshold based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The strategy aims to identify securities offering good or improving sustainability characteristics and credentials.

The Investment Manager seeks to avoid, penalize or exclude collateral, structures or agents that impose a high cost on the environment and society, or those that lack acceptable governance.

This involves:

- The exclusion of sectors, assets or collateral, that the Investment Manager deems impose material uncompensated costs to the environment and those that impose unjustifiable social costs
- The inclusion of securities that evidence improvements to existing assets, lending conditions or governance based on the Investment Manager's rating methodology.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Securities are ranked across Environmental, Social and Governance factors using a scorecard system and are awarded points on a 100-point /100 percent scale. These scores are then translated into a scoring system of 1star -5stars, with a score of 5-stars deemed the highest.

The Investment Manager ensures that at least 80% of the assets in the Fund are ranked in the top 3 Sustainability categories (3, 4, 5-stars) and will invest 100% of its assets in those ranked 2-stars or higher.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools, surveys, ESG questionnaires, public information, securitization filings and third-party research.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- At least 80% of the assets in the Fund are ranked in the top 3 Sustainability categories (3, 4, 5-stars) and will invest 100% of its assets in those ranked 2-stars or higher based on the Investment Manager's rating system.
- The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

Due to the nature of the Fund's assets, the good governance principles of A) sound management structures, B) employee relations, C) remuneration of staff and D) tax compliance are not directly or fully applicable.

As part of our good governance framework, the Investment Manager ensures that the special purpose vehicles (SPVs – the structure holding the assets) are set up in jurisdictions which have well-established corporate legal frameworks and sound corporate governance and are supervised by local law, policies and regulations. One of the many characteristics of securitisation is that as a separate SPV, or pool of assets, the securitisation is not generally a managed "going concern" corporation. We assess the fiduciary behaviour of parties to the structure, such as servicers, collateral managers and trustees, and practices that mitigate risk, align interest and avoid conflict.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

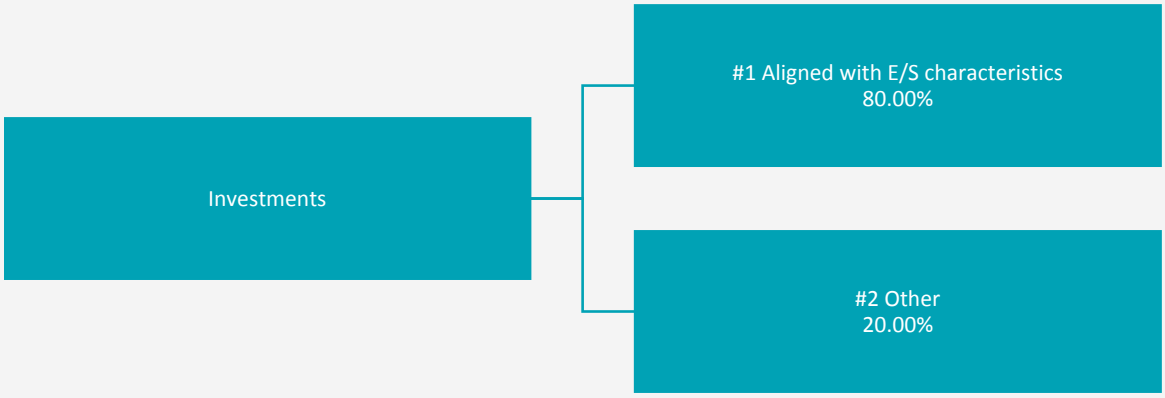
The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics. This means investments that are ranked in the top 3 Sustainability categories according to the Investment Manager's rating criteria. The minimum proportion stated in #1 applies in normal market conditions.

#2 Other includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. #2 also includes any investments that are not aligned with the environmental or social characteristics as they are not ranked in the top 3 Sustainability categories according to the Investment Manager's rating criteria.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) or other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

This question is not applicable for the Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

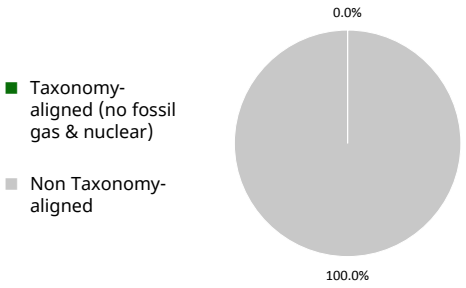
☐ In fossil gas ☐ In nuclear energy

☑ No

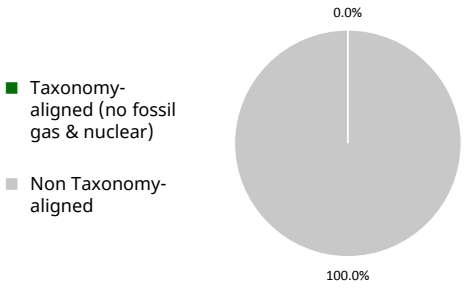
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of Sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

This question is not applicable for the Fund.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

This question is not applicable for the Fund.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. #2 also includes investments that that are not aligned with the environmental or social characteristics as they are not ranked in the top 3 Sustainability categories according to the Investment Manager's rating criteria.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) or other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Alternative Securitised Income

Legal entity identifier: 549300WDWBV63KONLL52

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **__%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☑ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund only invests in assets deemed above a minimum threshold based on the Investment Manager's rating system.

Securities are ranked across Environmental, Social and Governance factors using a scorecard system and are awarded points on a 100-point /100 percent scale. These scores are then translated into a scoring system of 1-star – 5-stars, with a score of 5-stars deemed the highest. The Investment Manager ensures that at least 80% of the assets in the Fund are ranked in the top 3 Sustainability categories (3, 4, 5-stars) and will invest 100% of its assets in those ranked 2-stars or higher.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager uses different sustainability indicators to score each investment in the Fund dependent on the specific asset-type, e.g. whether the underlying secured assets are mortgages or commercial real estate or another asset type. Indicators are typically either quantitative, data-oriented measures or information provided following engagement with issuers. Indicators include but are not limited to environmental metrics such as environmental transition risk or physical risk, social indicators such as predatory lending risk or consumer education effort and governance metrics such as risk retention or clarity of roles. Compliance with the minimum required score is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

This question is not applicable for the Fund.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

This question is not applicable for the Fund.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

This question is not applicable for the Fund.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

This question is not applicable for the Fund.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes

☑ No, due to the nature of the Fund's assets, the Investment Manager is not able to adequately consider the principal adverse impacts on sustainability factors as these metrics only apply to investments in companies, sovereign debt and real estate.

However, the Investment Manager does consider adverse impacts relevant to the strategy in the following way:

- The Investment Manager ensures that investments are aligned with the UN Principles for Responsible Investment ("PRI"). All investments must be compliant with industry standards, be fair, and be fit-for purpose
- The Investment Manager's rating system takes into account adverse impacts on society such as the asset footprint on the environment or impact on climate change
- Investments that cannot meet minimum standards related to social, environmental or governance concerns are excluded from the portfolio. The list of excluded sectors is reviewed, updated and published quarterly.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securitised investments including, but not limited to, asset-backed securities (ABS), agency and non-agency residential mortgage-backed securities (MBS) including forward-settling securities such as to be announced (TBA) trades, commercial mortgage-backed securities (CMBS), credit risk transfer securities (CRTs) and up to 49% of its assets in collateralised loan obligations (CLOs). Underlying assets of the asset-backed securities may include credit card receivables, personal loans, auto loans, transportation finance and small business loans.

The Fund may also invest in fixed and floating rate securities issued by governments, government agencies, supranationals and companies worldwide.

The Fund's strategy will have an overall duration of between zero and four years, but this does not preclude the Fund from investing in securities with a duration above four years.

The Fund may invest up to 100% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in fixed and floating rate investments issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated securities and implied Schroders ratings for non-rated securities).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps on a continuous basis. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 30% of the Net Asset Value. In certain circumstances this may be higher.

The Investment Manager assesses the sustainability credentials of potential investments using a proprietary tool. The Fund only invests in assets deemed above a minimum threshold based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify securities offering good or improving sustainability characteristics and credentials.

The Investment Manager seeks to avoid, penalize or exclude collateral, structures or agents that impose a high cost on the environment and society, or those that lack acceptable governance.

This involves:

- The exclusion of sectors, assets or collateral, that the Investment Manager deems impose material uncompensated costs to the environment and those that impose unjustifiable social costs
- The inclusion of securities that evidence improvements to existing assets, lending conditions or governance based on the Investment Manager's rating methodology.

Securities are ranked across Environmental, Social and Governance factors using a scorecard system and are awarded points on a 100-point /100 percent scale. These scores are then translated into a scoring system of 1star -5stars, with a score of 5-stars deemed the highest.

The Investment Manager ensures that at least 80% of the assets in the Fund are ranked in the top 3 Sustainability categories (3, 4, 5-stars) and will invest 100% of its assets in those ranked 2-stars or higher.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools, surveys, ESG questionnaires, public information, securitization filings and third-party research.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- At least 80% of the assets in the Fund are ranked in the top 3 Sustainability categories (3, 4, 5-stars) and will invest 100% of its assets in those ranked 2-stars or higher based on the Investment Manager's rating system.
- The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

Due to the nature of the Fund's assets, the good governance principles of A) sound management structures, B) employee relations, C) remuneration of staff and D) tax compliance are not directly or fully applicable.

As part of our good governance framework, the Investment Manager ensures that the special purpose vehicles (SPVs – the structure holding the assets) are set up in jurisdictions which have well-established corporate legal frameworks and sound corporate governance and are supervised by local law, policies and regulations. One of the many characteristics of securitisation is that as a separate SPV, or pool of assets,

the securitisation is not generally a managed "going concern" corporation. We assess the fiduciary behaviour of parties to the structure, such as servicers, collateral managers and trustees, and practices that mitigate risk, align interest and avoid conflict.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

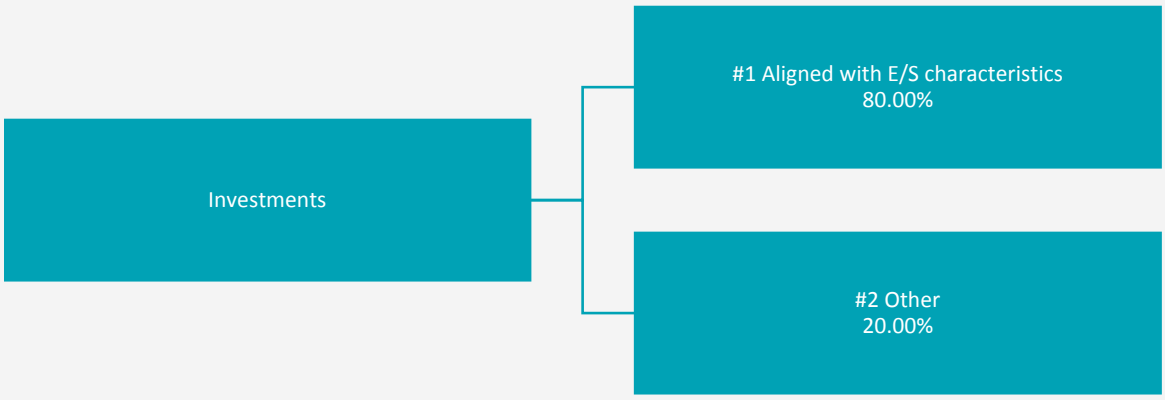
The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics. This means investments that are ranked in the top 3 Sustainability categories according to the Investment Manager's rating criteria. The minimum proportion stated in #1 applies in normal market conditions.

#2 Other includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. #2 also includes any investments that are not aligned with the environmental or social characteristics as they are not ranked in the top 3 Sustainability categories according to the Investment Manager's rating criteria.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) or other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

This question is not applicable for the Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

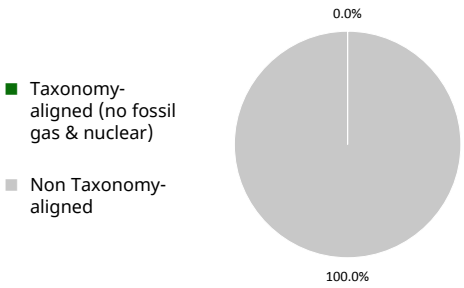
☐ In fossil gas ☐ In nuclear energy

☑ No

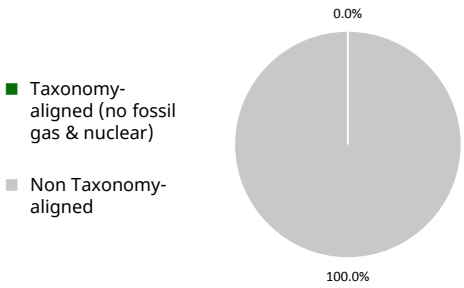
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of Sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

This question is not applicable for the Fund.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

This question is not applicable for the Fund.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. #2 also includes investments that that are not aligned with the environmental or social characteristics as they are not ranked in the top 3 Sustainability categories according to the Investment Manager's rating criteria.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) or other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Asian Credit Opportunities

Legal entity identifier: 549300T8YDW23OK28X19

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the JP Morgan Asia Credit index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the JP Morgan Asia Credit index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the JP Morgan Asia Credit index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether the asset is classified as a green, social and / or sustainable bond. Compliance

with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/or sustainable bond using a third-party data source. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

- **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list norms considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive

areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process as Schroders' proprietary tools incorporate several PAIs as a component of its scoring methodology. For example, within Schroders' proprietary tool, PAIs related to carbon footprint and greenhouse gas emissions (PAIs 1, 2, 3, 4, 5 and 15) and PAI 7 (Activities negatively affecting biodiversity-sensitive areas) are included in assessing an issuer's overall environmental score, while PAI 12 (Unadjusted gender pay gap) and PAI 13 (Board gender diversity) are included in assessing an issuer's overall social score.
The combination of the Investment Manager's fundamental and quantitative analysis helps to provide a comprehensive view on ESG factors on a country, sector and issuer level.
That said, due to a lower availability of PAI indicators for many issuers in Asia, some PAIs may be less meaningful in the context of an Asia focused strategy. Over time we anticipate that this data will improve which will allow us to further assess the consideration of PAIs.
All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.
The Investment Manager may engage with selected issuers held in the Fund, with a primary focus on corporate engagements relating to PAIs 1, 2, 3, 4, 5, 12, 13 and 15. For each issuer, the Investment Manager assesses and identifies the most relevant topics for engagement based on Schroders' proprietary tools, data from external data providers, and in-house analysis.
We also aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2, 15).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in various currencies and issued by companies, governments, government agencies and supranationals in Asia. For the purposes of this Fund, Asia includes the following west Asian countries: Bahrain, Israel, Lebanon, Oman, Qatar, Saudi Arabia, Turkey and United Arab Emirates.

The Fund may invest:

– up to 20% of its assets in asset-backed securities and mortgage-backed securities; and

– up to 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for nonrated bonds).

The Fund may invest up to 20% of its assets in mainland China through the Qualified Foreign Investor ("QFI") scheme or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund intends to use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the JP Morgan Asia Credit index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

– the exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct.

– the inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the JP Morgan Asia Credit index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply certain other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars. Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

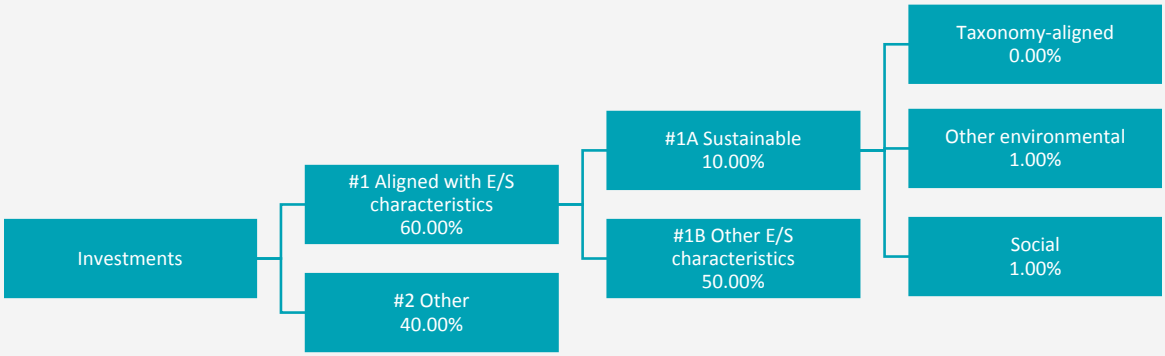
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the JP Morgan Asia Credit index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments, is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders' proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

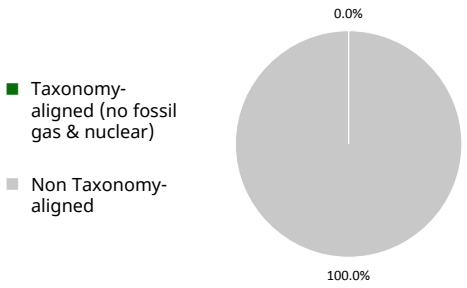
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

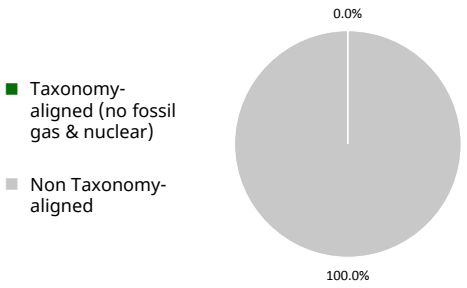
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Asian Dividend Maximiser

Legal entity identifier: 5493008UI8R6FCP1MG15

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good Governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI AC Pacific ex Japan High Dividend Yield (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI AC Pacific ex Japan High Dividend Yield (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI AC Pacific ex Japan High Dividend Yield (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to the sustainability score of each asset in Schroders' proprietary tool. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions.

Further information on all of the Fund's exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

- **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process through the bottom up stock analysis at a company level. The Asian Equities investment team uses a proprietary tool which provides a framework for analysing a company's relationship with its stakeholders and the sustainability of its business model and covers PAIs 1, 2, 3 and 6 (Greenhouse gas emissions). PAI indicators may be further reviewed via the Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The Investment Manager may engage with selected issuers held by the Fund on PAIs. For example, we may engage with issuers on net zero carbon emissions targets related to PAI 1,2,3, and board gender diversity related to PAI 13.

Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two thirds of its assets (excluding cash) in equities or equity related securities of Asia-Pacific companies (excluding Japan), which are selected for their income and capital growth potential.

To enhance the yield of the Fund, the Investment Manager selectively sells short dated call options over individual securities held by the Fund, generating extra income by agreeing strike prices above which potential capital growth is sold.

The Fund may invest directly in China H-Shares and may invest up to 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI AC Pacific ex Japan High Dividend Yield (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. Companies in the investment universe are assessed on their governance, environmental and social profile. The Investment Manager performs due diligence on potential holdings and this can include meetings with company management. The Investment Manager aims to identify the impact a business has on society whilst assessing relationships with key stakeholders such as employees, suppliers and regulators. This research is supported by quantitative analysis gained from Schroders' proprietary sustainability tools which are key inputs to assessing how existing and potential investments are meeting the Fund's sustainability criteria.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI AC Pacific ex Japan High Dividend Yield (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability -Related Disclosures" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

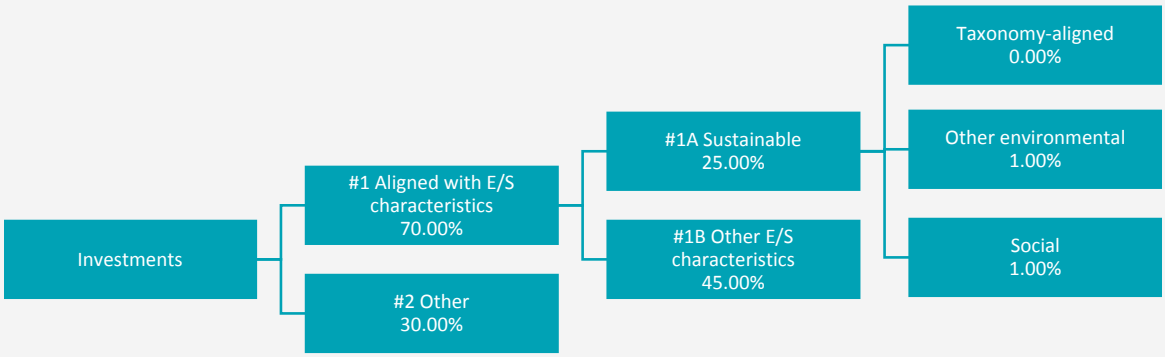
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI AC Pacific ex Japan High Dividend Yield (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). However, the Fund's use of covered call options for income generation purposes do not contribute towards the Fund's sustainability score.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

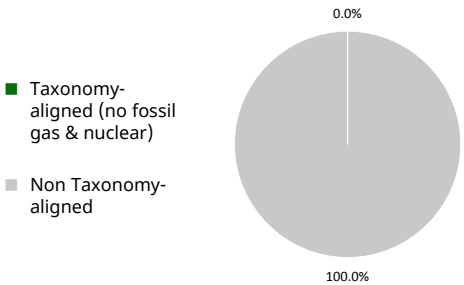
☐ In fossil gas ☐ In nuclear energy

☑ No

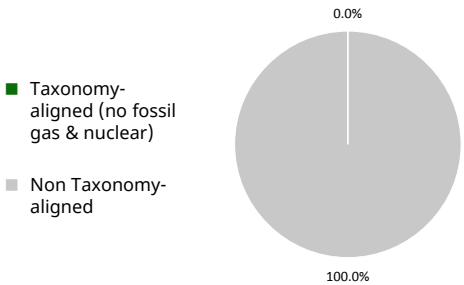
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Asian Equity Yield

Legal entity identifier: HW8T20METRZQAOYP1O66

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan High Dividend Yield (net TR) Index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan High Dividend Yield (net TR) Index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI AC Asia Pacific ex Japan High Dividend Yield (net TR) Index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to the sustainability score of each asset in Schroders' proprietary tool. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. .

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process through the bottom-up stock analysis at a company level. The Asian Equities investment team uses a proprietary tool which provides a framework for analysing a company's relationship with its stakeholders and the sustainability of its business model and covers PAIs 1, 2, 3 and 6 (Greenhouse gas emissions). PAI indicators may be further reviewed via the Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The Investment Manager may engage with selected issuers held by the Fund on PAIs. For example, we aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2,3), procuring renewable energy (PAI 5) and further topics of engagement may include board gender diversity which relates to PAI 13.

Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Asia Pacific companies (excluding Japan).

The Fund invests in the equities of companies in the Asia Pacific (excluding Japan) region that pay dividends now but also retain enough cash to reinvest back into the company to generate future growth.

The Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

– Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;

– the Qualified Foreign Investor ("QFI") scheme;

– shares listed on the STAR Board and the ChiNext; and

– Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash. The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan High Dividend Yield (net TR) Index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

In the selection and assessment of potential investment opportunities and holdings, companies are assessed on a proprietary stakeholder-based approach against criteria including, but not limited to (1) good governance practices; (2) impact on the environment and local communities; and (3) fair and equitable treatment of employees, suppliers and customers. Information and insights derived from Schroders' proprietary sustainability tools are utilised in this assessment and due diligence process.

The Investment Manager's proprietary analysis and ongoing engagement with these companies may also help it derive a reasonable level of conviction that concrete steps will be or are being taken to transition out of business segments or practices that have not met the sustainability criteria or improve on their relevant areas of weakness. The Investment Manager may consider these companies eligible for investment ahead of seeing changes in the company's ratings and rankings across both internal and external evaluation metrics.

The primary sources of information used to perform the analysis include the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan High Dividend Yield (net TR) Index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply certain other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

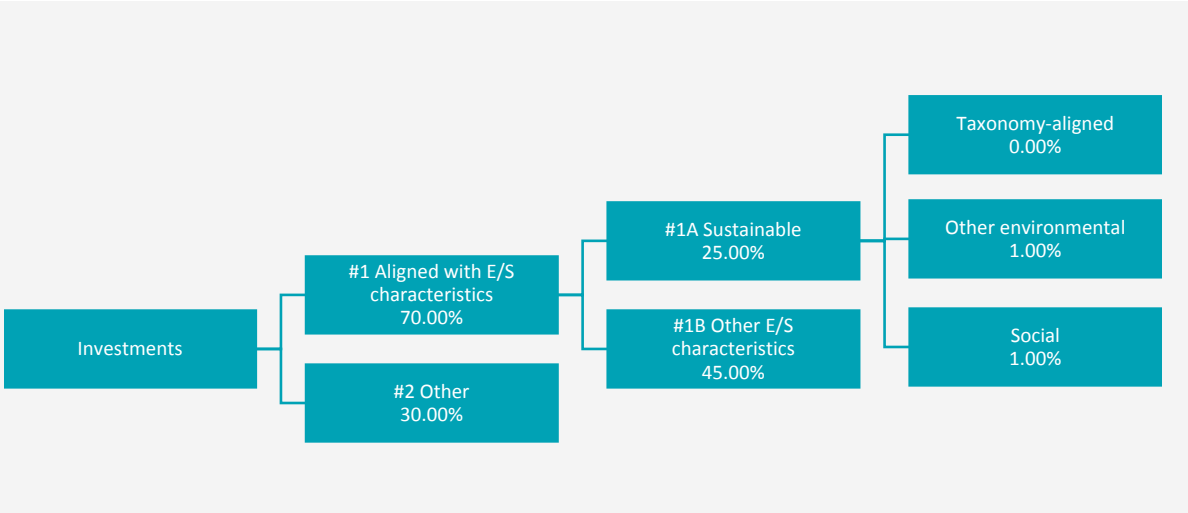
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan High Dividend Yield (net TR) Index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

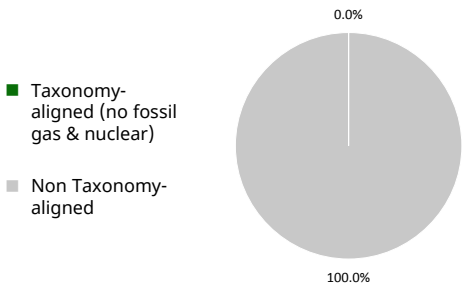
☐ In fossil gas ☐ In nuclear energy

☑ No

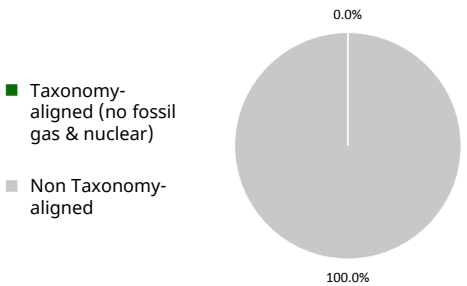
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Asian Local Currency Bond

Legal entity identifier: 549300KCHS5SNB1JYW85

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the iBoxx Asian Local Currency Bond index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the iBoxx Asian Local Currency Bond index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the iBoxx Asian Local Currency Bond index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is

monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process as Schroders' proprietary tools incorporate several PAIs as a component of its scoring methodology. For example, within Schroders' proprietary tool, PAIs related to carbon footprint and greenhouse gas emissions (PAIs 1, 2, 3, 4, 5 and 15) and PAI 7 (Activities negatively affecting biodiversity-sensitive areas) are included in assessing an issuer's overall environmental score, while PAI 12 (Unadjusted gender pay gap) and PAI 13 (Board gender diversity) are included in assessing an issuer's overall social score.
The combination of the Investment Manager's fundamental and quantitative analysis helps to provide a comprehensive view on ESG factors on a country, sector and issuer level.
That said, due to a lower availability of PAI indicators for many issuers in Asia, some PAIs may be less meaningful in the context of an Asia focused strategy. Over time we anticipate that this data will improve which will allow us to further assess the consideration of PAIs. All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.
The Investment Manager may engage with selected issuers held in the Fund, with a primary focus on corporate engagements relating to PAIs 1, 2, 3, 4, 5, 12, 13 and 15. For each issuer, the Investment Manager assesses and identifies the most relevant topics for engagement based on Schroders' proprietary tools, data from external data providers, and in-house analysis.
We also aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2, 15).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in fixed income securities with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) denominated in local currencies issued by government, government agencies and companies in Asia (excluding Japan) and derivatives related to the above instruments. For the purposes of this Fund, Asia includes the following west Asian countries: Bahrain, Israel, Lebanon, Oman, Qatar, Saudi Arabia, Turkey and United Arab Emirates.

The Fund may invest directly in mainland China through (i) QFI schemes or QFII related schemes supervised by the China Securities Regulatory Commission provided investment restriction is complied with and/or they qualify as Investment Funds and (ii) Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

Investments in mainland China Regulated Markets and interbank bond markets may also be performed indirectly through notes, certificates or other instruments (which qualify as transferable securities and do not embed a derivative element), open-ended Investment Funds and eligible derivative transactions.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund intends to use derivatives (including total return swaps and long and short currency forwards) with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. Where the Fund uses total return swaps, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps on a temporary basis in market conditions including but not limited to periods of slow economic growth and falling interest

rates, and where the Investment Manager's view is that sovereign spread premiums will compress. The gross exposure of total return swaps will not exceed 20% and is expected to remain within the range of 0% to 5% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund maintains a higher overall sustainability score than the iBoxx Asian Local Currency Bond index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

– the exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct.

– the inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation. The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the iBoxx Asian Local Currency Bond index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

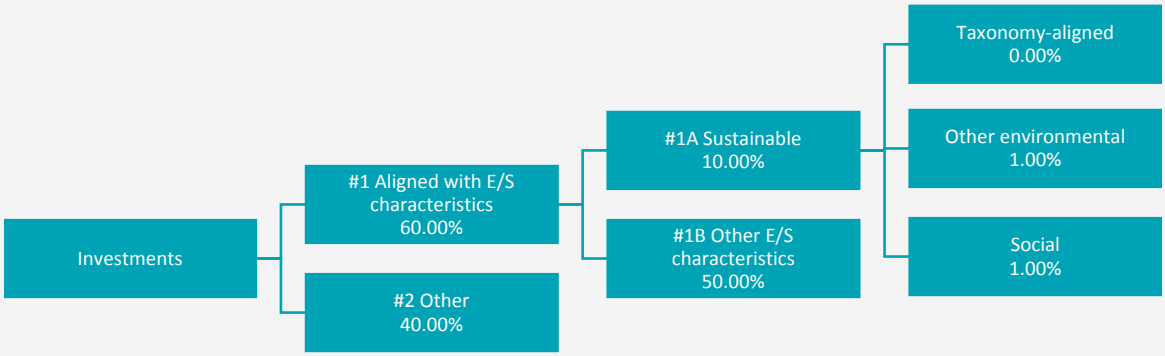
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the iBoxx Asian Local Currency Bond index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments, is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

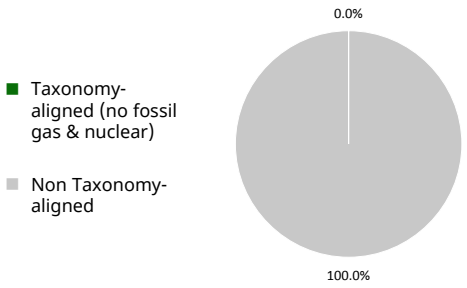
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

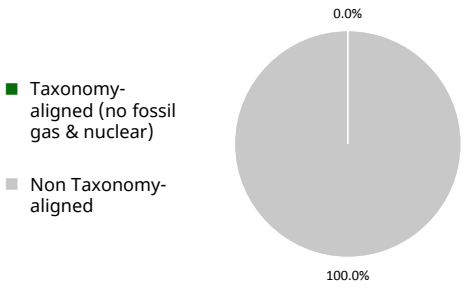
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Asian Opportunities

Legal entity identifier: YV2UILN4DUFWUTDZHO58

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI AC Asia ex Japan (Net TR) Index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI AC Asia ex Japan (Net TR) Index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI AC Asia ex Japan (Net TR) Index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to the sustainability score of each asset in Schroders' proprietary tool. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

- **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process through the bottom-up stock analysis at a company level. The Asian Equities investment team uses a proprietary tool which provides a framework for analysing a company's relationship with its stakeholders and the sustainability of its business model and covers PAIs 1, 2, 3 and 6 (Greenhouse gas emissions). PAI indicators may be further reviewed via the Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The Investment Manager may engage with selected issuers held by the Fund on PAIs. For example, we aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2,3), procuring renewable energy (PAI 5) and further topics of engagement may include board gender diversity which relates to PAI 13.

Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Asian companies (excluding Japan). The Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

– Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;

– the Qualified Foreign Investor ("QFI") scheme;

– shares listed on the STAR Board and the ChiNext; and

– Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI AC Asia ex Japan (Net TR) Index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

In the selection and assessment of potential investment opportunities and holdings, companies are assessed on a proprietary stakeholder-based approach against criteria including, but not limited to (1) good governance practices; (2) impact on the environment and local communities; and (3) fair and equitable treatment of employees, suppliers and customers. Information and insights derived from Schroders' proprietary sustainability tools are utilised in this assessment and due diligence process.

The Investment Manager's proprietary analysis and ongoing engagement with these companies may also help it derive a reasonable level of conviction that concrete steps will be or are being taken to transition out of business segments or practices that have not met the sustainability criteria or improve on their relevant areas of weakness. The Investment Manager may consider these companies eligible for investment ahead of seeing changes in the company's ratings and rankings across both internal and external evaluation metrics.

The primary sources of information used to perform the analysis include the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI AC Asia ex Japan (Net TR) Index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

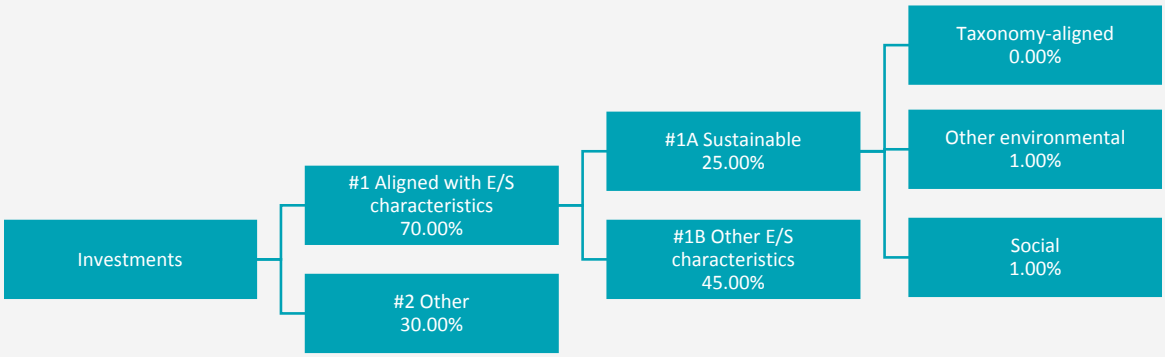
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI AC Asia ex Japan (Net TR) Index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

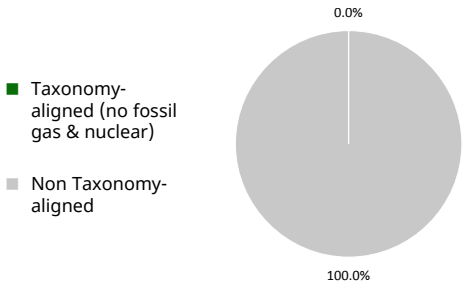
☐ In fossil gas ☐ In nuclear energy

☑ No

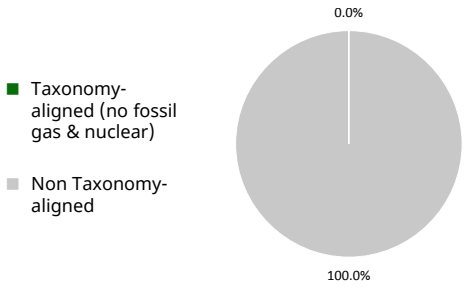
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Asian Total Return

Legal entity identifier: A3HSL7JNL11S4BK1H669

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroder' proprietary tool compared against the weighted average sustainability score of the MSCI AC Asia Pacific ex Japan (Net TR) index in Schroder' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference (i) to the sustainability score of each asset in Schroder' proprietary tool and/ or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance

with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroder'' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroder' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process through the bottom-up stock analysis at a company level. The Asian Equities investment team uses a proprietary tool which provides a framework for analysing a company's relationship with its stakeholders and the sustainability of its business model and covers PAIs 1, 2, 3 and 6 (Greenhouse gas emissions). PAI indicators may be further reviewed via the Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The Investment Manager may engage with selected issuers held by the Fund on PAIs. For example, we aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2,3), procuring renewable energy (PAI 5) and further topics of engagement may include board gender diversity which relates to PAI 13.

Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in Asia Pacific equity and equity related securities.

The Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

– Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;

– the Qualified Foreign Investor “""QF""") scheme:

– shares listed on the STAR Board and the ChiNext; and

– Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may buy or sell equity index futures and buy and sell index options on indices or individual stocks. To obtain exposure to equity indices and individual stocks, the Fund may also enter into contracts for difference where the underlying investments are not delivered and settlement is made in cash. Contracts for difference may be used to gain long and short exposure or to hedge exposure on equity and equity related securities. The gross exposure of contracts for difference will not exceed 10% and is expected to remain within the range of 0% to 10% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under “Sustainability-Related Disclosure” on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

In the selection and assessment of potential investment opportunities and holdings, companies are assessed on a proprietary stakeholder-based approach against criteria including, but not limited to (1) good governance practices; (2) impact on the environment and local communities; and (3) fair and equitable treatment of employees, suppliers and customers. Information and insights derived from Schroders' proprietary sustainability tools are utilised in this assessment and due diligence process.

The Investment Manager's proprietary analysis and ongoing engagement with these companies may also help it derive a reasonable level of conviction that concrete steps will be or are being taken to transition out of business segments or practices that have not met the sustainability criteria or improve on their relevant areas of weakness. The Investment Manager may consider these companies eligible for investment ahead of seeing changes in the company's ratings and rankings across both internal and external evaluation metrics.

The primary sources of information used to perform the analysis include the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

relations, remuneration of staff and tax compliance.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

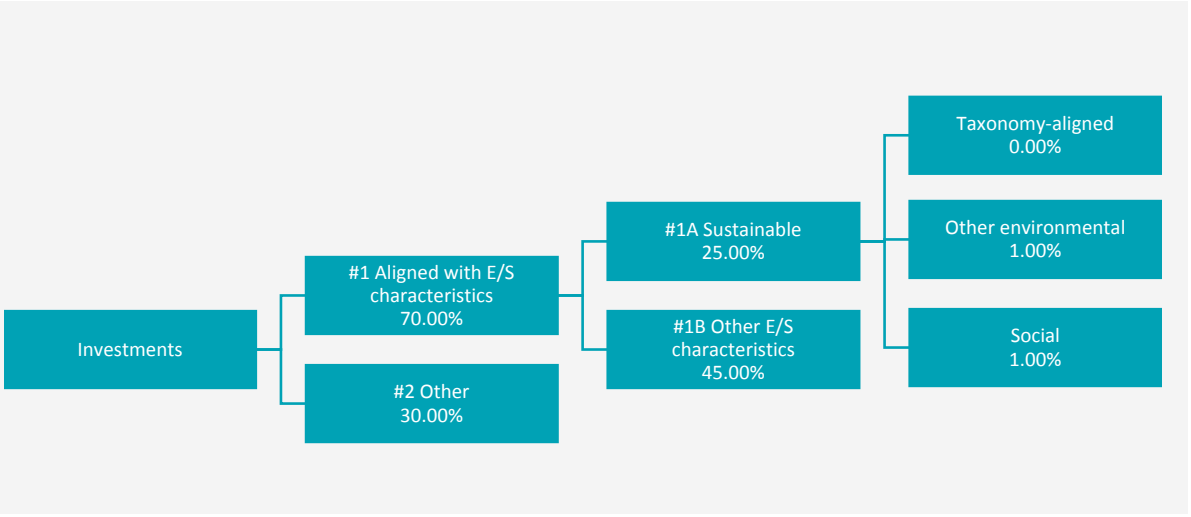
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund uses derivatives extensively to implement its investment strategy. Short positions contribute to the Fund's overall sustainability score. Short positions with negative scores contribute positively towards the aggregate score, while short positions with positive scores detract from the aggregate score. Equity and index derivatives are scored in the same way as physical holdings, on a look-through basis, and also contribute to the Fund's overall sustainability score. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

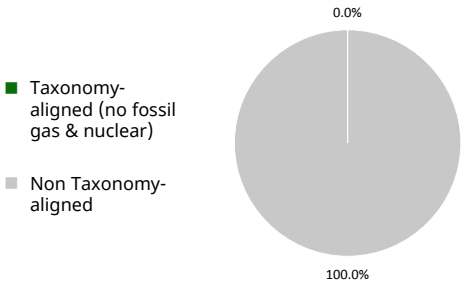
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

criteria include comprehensive safety and waste management rules.

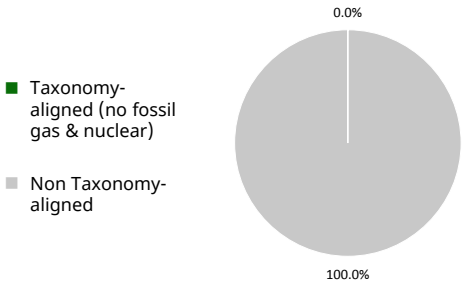
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund BIC (Brazil, India, China)

Legal entity identifier: LM0QRH514E4ICW7YYO70

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI BIC (Net TR) 10/40 index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI BIC (Net TR) 10/40 index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI BIC (Net TR) 10/40 index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability Related Disclosures" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and

compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
- Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process through the bottom up stock analysis at a company level. The emerging markets investment team has a number of proprietary tools to aid ESG analysis. At the company level, Schroders proprietary tool is the main repository for the team's ESG analysis. Schroders proprietary tool provides a systematic framework for analysing a company's relationship with its stakeholders and the sustainability of its business model. It contains more than 250 metrics drawn from company reports and other sources that assess a company's performance in specific areas.
PAIs 1,2,3,9,13 are specifically considered as part of the Schroders proprietary tool analysis where appropriate and material to the business. In the case of PAI 8 and 12 the availability of data is very limited so it is not widely used within Schroders proprietary tool but monitored instead at the overall portfolio level.
All PAI indicators are monitored via Schroders PAI dashboard. We review the PAI data in the PAI dashboard regularly as part of the monthly ESG risk meeting which formally reviews portfolio level ESG characteristics.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.
The Investment Manager may engage with selected issuers held by the Fund on PAIs. For example, we aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2,3), procuring renewable energy (PAI 5) and further topics of engagement may include board gender diversity which relates to PAI 13.
Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in a range of equity and equity related securities of Brazilian, Indian and Chinese companies.

The Fund may invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI BIC (Net TR) 10/40 index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The Investment Manager performs due diligence on potential holdings, including meetings with management, and assesses the company's governance, environmental and social profile across a range of factors. This process is supported by quantitative analysis provided by Schroders' proprietary sustainability tools, which are key inputs to assess how existing and potential investments for the portfolio are meeting the Fund's sustainability criteria. In some cases, companies which fall below the sustainability criteria may still be eligible for investment if, as a result of proprietary analysis and ongoing engagement with management, the Investment Manager believes the company will meet its sustainability criteria within a realistic time horizon.

For a company to be eligible to be held in the Fund, it is expected to show a commitment to its stakeholders, including customers, employees, suppliers, shareholders and regulators. The Fund selects companies whose businesses demonstrate good governance and aim to treat stakeholders equitably.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data and reports.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI BIC (Net TR) 10/40 index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

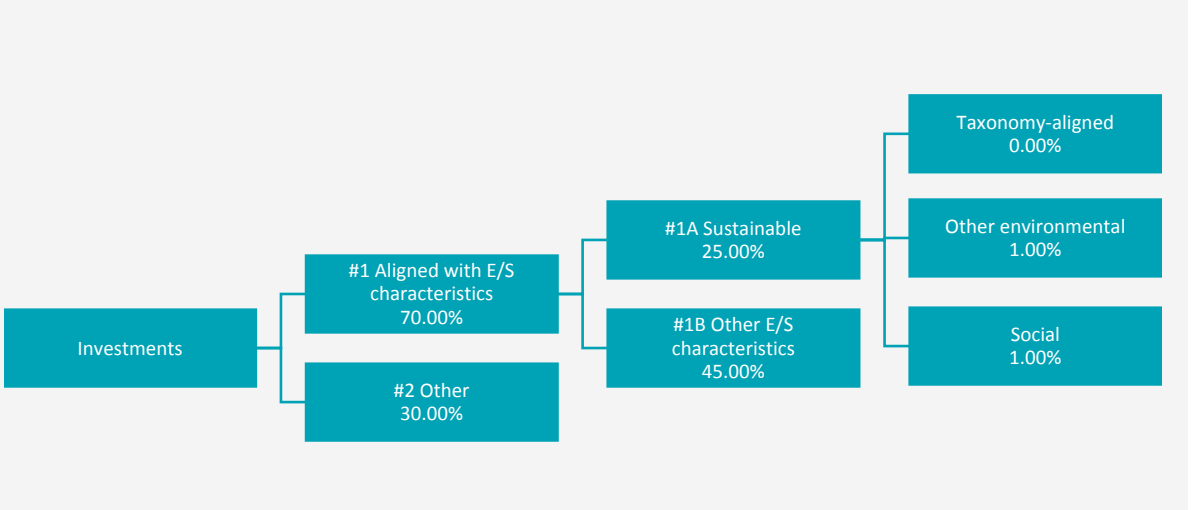
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI BIC (Net TR) 10/40 index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

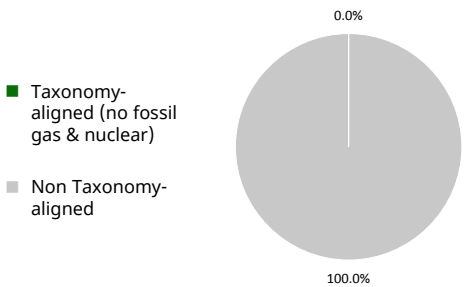
☐ In fossil gas ☐ In nuclear energy

☑ No

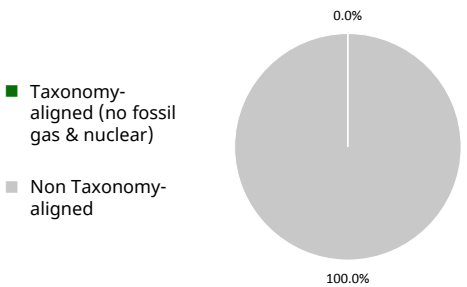
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund BlueOrchard Emerging Markets Climate Bond

Legal entity identifier: 5493007XCI1VSIJ1FK02

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good Governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☑ Yes	●○ ☐ No
☑ It will make a minimum of **sustainable investments with an environmental objective: 80.00%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **__%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☑ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

The Fund's sustainable investment objective is to invest its assets in securities issued by governments and companies worldwide, including emerging market countries, that contribute towards the UN SDG of taking action to combat climate change. The Fund may also invest in investments that the Investment Manager deems to be neutral under its sustainability criteria, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Investment Manager will select sustainable investments from a universe that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of the investment's contribution to the UN SDG of taking action to combat climate change alongside the Investment Manager's assessment of impact via its proprietary scorecard. The investment process is aligned with the Operating Principles for Impact Management.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

At the date of this Prospectus, it is not yet possible to commit to the Fund maintaining a minimum alignment with the Taxonomy, as the Investment Manager is currently not in a position to accurately determine to what extent the Fund's investments are in taxonomy-aligned environmentally sustainable activities. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio. However, it is expected that the Fund invests in companies and economic activities that contribute to the environmental objectives of climate change mitigation and climate change adaptation within the meaning of the Taxonomy.

In future it is therefore expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Investment Manager is responsible for determining whether an investment meets the criteria of a sustainable investment. The Investment Manager considers the extent to which the issuer's revenues, business activities, or the use of proceeds of a purpose bond contribute to an environmental objective, and specific sustainability key performance indicators to assess the investment's contribution to an environmental objective. The output of the Investment Strategy outlined below is the production of the list of investments that meet the selection criteria, this represents the investment universe. Compliance with the minimum percentage in sustainable investments is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

The Investment Manager uses different sustainability indicators to measure the impact contribution. In particular, the Investment Manager uses a proprietary sustainability tool to verify that every bond included in the investment universe has satisfactory ESG and impact scores and is aligned to the Fund's investment objective of combatting climate change. There is a detailed impact assessment of every company and/or bond (as applicable) via the completion of a proprietary scorecard. The impact scorecard focuses on the impact that a bond is expected to have. The Investment Manager considers different aspects of impact such as: what outcome and UN SDGs the bond or company is contributing to; who is served by the outcome (such as the relevant stakeholder or industry); an assessment of our expected contribution (including the Investment Manager's influence and engagement); and consideration of impact risks. The assessment includes tracking Key Performance Indicators (KPIs) that are used to measure and monitor the company's or the bond's positive contribution over time via an annual review. Examples of the indicators include, but are not limited to, CO2 emissions reduction, MW of renewable energy capacity or of energy saved, MWh of renewable energy generated, m3 of water savings, m2 of total floor area of buildings achieving green certification or km of clean transportation infrastructure built or improved.

Once these steps have been completed, the bond's or company's impact scorecard and the company's ESG scorecard (as applicable) are validated and approved by the BlueOrchard Sustainability & Impact (S&I) team, in order for the company or bond to be eligible for inclusion in the Fund's investible universe. The S&I team is independent from the investment teams, and is responsible for the consistent application of impact and ESG assessments and scorecards and that all investments meet minimum ESG and impact ratings, as set out in BlueOrchard's ESG & Impact Policy.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.

- The Fund does not directly invest in the sectors included in BlueOrchard's Public Asset Exclusion List: https://www.blueorchard.com/wp-content/uploads/20220520-BlueOrchard-Exclusion-Policy_Public-Assets.pdf

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for

Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
- Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process. PAIs are included within the BlueOrchard proprietary ESG scorecard which is one of the necessary steps to assess and approve issuers for the strategy's sustainable investment universe. PAIs 1-14 are included in the BlueOrchard proprietary ESG scorecard within relevant ESG sections and will guide the ESG analysis along with other ESG factors such as good governance metrics to determine an overall ESG score.
All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.
The Investment Manager may engage with selected issuers held by the Fund on PAI 1, 2, 12, 13:
We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and board gender diversity or unadjusted gender pay gap, which relate to PAI 12 and 13.
Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments that are expected to contribute towards combating climate change ; and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Investment Manager will select sustainable investments from a universe that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of an investment's contribution to the UN SDG of taking action to combat climate change alongside the Investment Manager's assessment of impact and ESG via its proprietary impact investment management framework and tools (including impact and ESG scorecards).

The Fund is part of Schroders' Impact Driven strategies. As such, it applies highly selective investment criteria and its investment process is aligned with the Operating Principles for Impact Management which means that an assessment of impact is embedded in the steps of the investment process. All sustainable investments in the Fund are subject to this framework.

The Fund does not directly invest in the sectors included in BlueOrchard's Public Assets Exclusion List, https://www.blueorchard.com/wp-content/uploads/20220520-BlueOrchard-Exclusion-Policy_Public-Assets.pdf

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to seek to improve sustainability practices and enhance social and environmental impacts generated by underlying investee companies. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund invests at least two-thirds of its assets in fixed and floating rate securities denominated in various currencies and issued by governments, government agencies, supranationals and companies worldwide, including emerging market countries. The Fund will increase its exposure to emerging markets over time. At the Fund's launch, the exposure to emerging markets will be at least of 50% of its net assets and this exposure will increase progressively with the intention to reach at least 67% of its net assets after three years.

The Fund may invest up to 50% of its assets in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may also invest up to one third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

Investments are composed of bonds where the issuer's products and services, business activities or use of proceeds for a purpose bond contribute positively to at least one of the UN SDGs taking action to combat climate change, including SDG 7, 11 and 13. In order to identify bonds with a direct link to a UN SDG, the Investment Manager applies a two step approach:

– The first considers the extent to which the issuer's revenues, business activities, or the use of proceeds of a purpose bond contribute to an environmental objective.

– The second is a detailed ESG and impact assessment of the company and/or bond (as applicable) via the completion of proprietary impact and ESG scorecards. The Investment Manager considers a range of ESG criteria and different aspects of impact such as: what outcome and UN SDGs the bond or company is contributing to; who is served by the outcome (such as the relevant stakeholder or industry); an assessment of our expected contribution (including the Investment Manager's influence and engagement); and consideration of impact risks. The assessment typically includes Key Performance Indicators (KPIs) that are used to track the company's or the bond's positive contribution over time

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The impact and ESG scorecards are validated and approved by the BlueOrchard Sustainability & Impact (S&I) team, in order for the company or bond to be eligible for inclusion in the Fund's investible universe. The S&I team is independent from the investment teams, and is responsible for the consistent application of impact and ESG assessments and scorecards and that all investments meet minimum ESG and impact ratings, as set out in BlueOrchard's ESG & Impact Policy.

Due to the nature of its investments, and in particular the need for currency hedging, the Fund may also hold a portion of investments that the Investment Manager deems to be neutral under its sustainability criteria. These may include (but are not limited to) derivatives for hedging purposes, cash and Money Market Investments.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of fixed and floating rate securities denominated in various currencies and issued by companies worldwide, including emerging market countries. The universe (for the purpose of this test only) does not include fixed or floating rate securities issued by public or quasi-public issuers.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The following binding elements are applied throughout the investment process:

- The Fund is actively managed and invests at least 80% of its assets in sustainable investments, that contribute towards combatting climate change.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal, especially companies that generate revenues from tobacco production or any other part of the tobacco value chain (suppliers, distributors, licensors), and companies that generate revenues from thermal coal mining and coal fired power generation. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. The Fund does not invest in the sectors included in BlueOrchard's Public Asset Exclusion List.

https://www.blueorchard.com/wp-content/uploads/20220520-BlueOrchard-Exclusion-Policy_Public-Assets.pdf

- The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Investment Manager's proprietary framework includes an assessment of the good governance practices of each investment, including on factors such as a company's code of conduct and ESG incident screening. The good governance score represents at least 33% of the proprietary framework ESG scorecard's score and comprises topics such as business integrity, compliance with local regulation, corporate governance accountability or transparency and disclosure maturity.

Post-investment, changes to these factors will be monitored, assessed and where appropriate engaged with. Where potential issues arise, the performance of an issuer is below expected, or when the reported data is incomplete to reach a conclusion, the Investment Manager will engage with the issuer to evaluate the performance. The Investment Manager will encourage investee companies to improve their good governance practices and disclosure as well as their end contribution to the social and climate related transformation.

What is the asset allocation and the minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

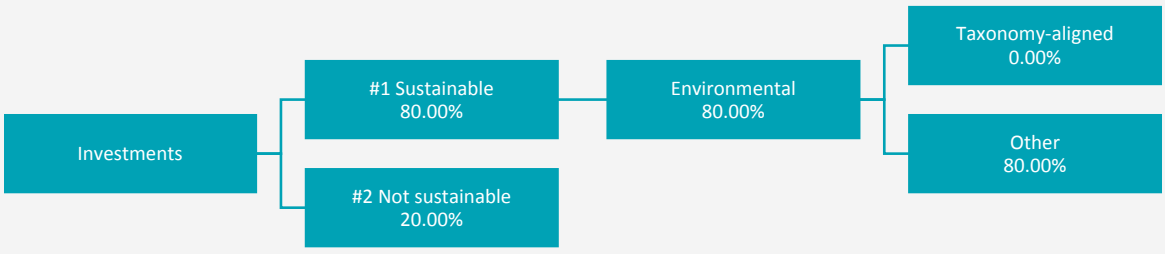
The planned composition of the Fund's investments that are used to meet its sustainable investment objective are summarised below.

The Fund invests at least 80% of its assets in sustainable investments, which means included in **#1 Sustainable** are investments in securities issued by governments and companies worldwide, including emerging market countries, that contribute towards the UN SDG of taking action to combat climate change. The minimum proportion stated applies in normal market conditions.

#2 Not sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

This question is not applicable for the Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's sustainable investments with an environmental objective are aligned with the Taxonomy. Consequently, taxonomy alignment of this Fund's investments has not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

At the date of this prospectus, it is not yet possible to commit to the Fund maintaining a minimum alignment with the Taxonomy, as the Investment Manager is currently not in a position to accurately determine to what extent the Fund's investments are in taxonomy-aligned environmentally sustainable activities. However, it is expected that the Fund invests in companies and economic activities that contribute to the environmental objectives of climate change mitigation and climate change adaptation within the meaning of the Taxonomy.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

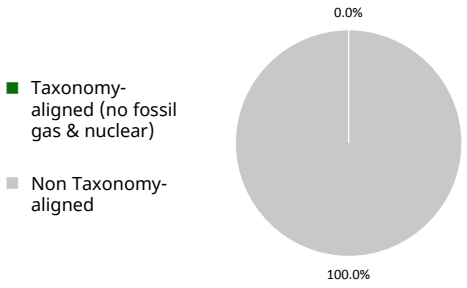
☐ In fossil gas ☐ In nuclear energy

☑ No

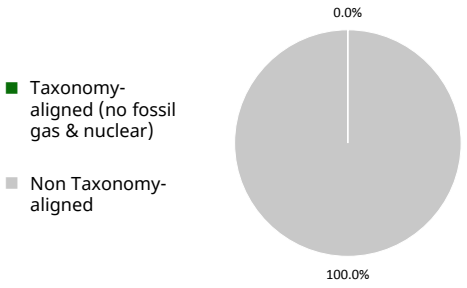
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

among others have greenhouse gas emission levels corresponding to the best performance.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 80%, which is the same amount as the Fund's minimum share of sustainable investments. As stated above this Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's sustainable investments with an environmental objective are aligned with the EU Taxonomy.



are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of sustainable investments with a social objective?

This question is not applicable for the Fund



What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

#2 Not Sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund BlueOrchard Emerging Markets Impact Bond

Legal entity identifier: 5493002UVX4QP1OMYB39

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good Governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☑ Yes	●○ ☐ No
☑ It will make a minimum of **sustainable investments with an environmental objective: 5.00%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___**%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☑ It will make a minimum of **sustainable investments with a social objective 50.00%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The Fund commits to invest at least 80% of its assets in sustainable investments. Within this overall commitment, there is a minimum commitment to invest at least 5% of its assets in sustainable investments with an environmental objective and at least 50% of its assets in sustainable investments with a social objective.

What is the sustainable investment objective of this financial product?

The Fund's sustainable investment objective is to invest its assets in securities issued by governments, government agencies, supra-nationals and companies of emerging market countries that contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs by contributing positively towards social development and environmental themes. The Fund may also invest in investments that the Investment Manager deems to be neutral under its sustainability criteria, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Fund will invest in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies with the aim to foster financial inclusion and provide decisive funding to economically vulnerable communities globally as well as fixed and floating rate securities related to sustainable infrastructure projects and clean energy initiatives. Such issuers may be involved in activities such as micro, small, and medium enterprise (MSME) lending, affordable housing, affordable education, health, agriculture, clean energy, improvements in energy efficiency, renewable energy, green energy products and humanitarian relief activities, among others.

The Fund will help to advance one or more of the UN SDGs, including but not limited to: the end of poverty in all its forms; the provision of access to affordable, reliable, sustainable and modern energy; the provision of inclusive and sustainable economic growth, employment and decent work for all; the building of resilient infrastructure, promotion of sustainable infrastructure and fostering of innovation; and the reduction of inequality within and among countries.

The Investment Manager will select sustainable investments from a universe that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of the investment's contribution to the UN SDGs alongside the Investment Manager's assessment of impact via its proprietary scorecard. The investment process is aligned with the Operating Principles for Impact Management.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Investment Manager is responsible for determining whether an investment meets the criteria of a sustainable investment. The Investment Manager considers the extent to which the issuer's revenues, business activities, or the use of proceeds of a purpose bond contribute to an environmental or social objective (as applicable), and specific sustainability key performance indicators to assess the investment's contribution to an environmental or social objective (as applicable). The output of the Investment Strategy outlined below is the production of the list of investments that meet the selection criteria, this represents the investment universe. Compliance with the minimum percentage in sustainable investments is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

The Investment Manager uses different sustainability indicators to measure the impact contribution. In particular, the Investment Manager uses a proprietary sustainability tool to analyse how the use of proceeds of social and sustainability bonds are contributing to job creation and how many jobs are created or maintained as a result of the bond's proceeds. There is a detailed impact assessment of every company and/or bond (as applicable) via the completion of a proprietary scorecard. The impact scorecard focuses on the impact that a bond is expected to have. The Investment Manager considers different aspects of impact such as: what outcome and UN SDGs the bond or company is contributing to; who is served by the outcome (such as the relevant stakeholder or industry); an assessment of our expected contribution (including the Investment Manager's influence and engagement); and consideration of impact risks. The assessment includes tracking Key Performance Indicators (KPIs) that are used to measure and monitor the company's or the bond's positive contribution over time via an annual review. Examples of the indicators include, but are not limited to, number of job opportunities created and maintained, number of beneficiaries reached (students, hospital patients), number of households reached (new water and sanitation connection, access to telecommunication network, affordable housing loans), number of micro/small/medium enterprises supported, CO2 emissions reduction, MWh of renewable energy generated, m3 of water savings or km of clean transportation infrastructure built or improved.

Once these steps have been completed, the bond's or the company's impact scorecard and the company's ESG scorecard (as applicable) are validated and approved by the BlueOrchard Sustainability & Impact (S&I) team, in order for the company or bond to be eligible for inclusion in the Fund's investible universe. The S&I team is independent from the investment teams, and is responsible for the consistent application of impact and ESG assessments and scorecards and that all investments meet minimum ESG and impact ratings, as set out in BlueOrchard's ESG & Impact Policy.

More details on how the Investment Manager ensures that investments are made with the objective to generate a positive social or environmental impact alongside a financial return within the Fund are available at https://www.schroders.com/en/global/individual/impact-investing/

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.

- The Fund does not directly invest in the sectors included in BlueOrchard's Public Asset Exclusion List

https://www.blueorchard.com/wp-content/uploads/20220520-BlueOrchard-Exclusion-Policy_Public-Assets.pdf

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages,

environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
- Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process. PAIs are included within the BlueOrchard proprietary ESG scorecard which is one of the necessary steps to assess and approve issuers for the strategy's sustainable investment universe. PAIs 1-14 are included in the BlueOrchard proprietary ESG scorecard within relevant ESG sections and will guide the ESG analysis along with other ESG factors such as good governance metrics to determine an overall ESG score.
All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.
The Investment Manager may engage with selected issuers held by the Fund on PAI 1, 2, 12, 13:
We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and board gender diversity or unadjusted gender pay gap, which relate to PAI 12 and 13.
Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments that contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs by contributing positively towards social development and environmental themes, and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Investment Manager will select sustainable investments from a universe that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of an investment's contribution to the UN SDGs alongside the Investment Manager's assessment of impact and ESG via its proprietary impact investment management framework and tools (including impact and ESG scorecards).

The Fund is part of Schroders' Impact Driven strategies. As such, it applies highly selective investment criteria and its investment process is aligned with the Operating Principles for Impact Management which means that an assessment of impact is embedded in the steps of the investment process. All sustainable investments in the Fund are subject to this framework.

The Fund will invest in fixed and floating rate securities issued by governments, government agencies, supranationals and companies with the aim to foster financial inclusion and provide decisive funding to economically vulnerable communities globally as well as fixed and floating rate securities related to sustainable infrastructure projects and clean energy initiatives. Such issuers may be involved in activities such as micro, small, and medium enterprise (MSME) lending, affordable housing, affordable education, health, agriculture, clean energy, improvements in energy efficiency, renewable energy, green energy products and humanitarian relief activities, among others.

The Fund will help to advance one or more of the UN SDGs, including but not limited to: the end of poverty in all its forms; the provision of access to affordable, reliable, sustainable and modern energy; the provision of inclusive and sustainable economic growth, employment and decent work for all; the building of resilient infrastructure, promotion of sustainable infrastructure and fostering of innovation; and the reduction of inequality within and among countries.

The Fund does not directly invest in the sectors included in the below BlueOrchard Public Asset Exclusion List.

https://www.blueorchard.com/wp-content/uploads/20220520-BlueOrchard-Exclusion-Policy_Public-Assets.pdf

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to seek to improve sustainability practices and enhance social and environmental impacts generated by underlying investee companies. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund invests at least two-thirds of its assets in fixed and floating rate securities denominated in various currencies and issued by governments, government agencies, supranationals and companies of emerging market countries.

The Fund may invest up to 50% of its assets in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may also invest up to one third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The investment strategy of the Fund and the use of derivatives may lead to situations where it is considered appropriate that prudent levels of cash and Money Market Investments will be maintained, which may be substantial or even represent (exceptionally) 100% of the Fund's assets. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR. The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

Investments are composed of bonds where the issuer's products and services, business activities or use of proceeds for a purpose bond contribute positively to at least one of the UN SDGs. In order to identify bond with a direct link to a UN SDG, the Investment Manager applies a two step approach:

- The first considers the extent to which the issuer's revenues, business activities, or the use of proceeds of a purpose bond contribute to an environmental or social objective (as applicable).

- The second is a detailed ESG and impact assessment of the company and/or bond (as applicable) via the completion of proprietary impact and ESG scorecards. The Investment Manager considers a range of ESG criteria and different aspects of impact such as: what outcome and UN SDGs the bond or company is contributing to; who is served by the outcome (such as the relevant stakeholder or industry); an assessment of our expected contribution (including the Investment Manager's influence and engagement); and consideration of impact risks. The assessment typically includes Key Performance Indicators (KPIs) that are used to track the company's or the bond's positive contribution over time.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The impact and ESG scorecards are validated and approved by the BlueOrchard Sustainability & Impact (S&I) team, in order for the company or bond to be eligible for inclusion in the Fund's investible universe. The S&I team is independent from the investment teams, and is responsible for the consistent application of impact and ESG assessments and scorecards and that all investments meet minimum ESG and impact ratings, as set out in BlueOrchard's ESG & Impact Policy.

Through this assessment, the Investment Manager selects bonds that it deems eligible in accordance with the Fund's investment objective and policy.

Due to the nature of its investments, and in particular the need for currency hedging, the Fund may also hold a portion of investments that the Investment Manager deems to be neutral under its sustainability criteria. These may include (but are not limited to) derivatives for hedging purposes, cash and Money Market Investments.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of fixed and floating rate securities denominated in various currencies and issued by companies worldwide, including emerging market countries. The universe (for the purpose of this test only) does not include fixed or floating rate securities issued by public or quasi-public issuers.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The following binding elements are applied throughout the investment process:

- The Fund is actively managed and invests at least 80% of its assets in sustainable investments that contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs by contributing positively towards social development and environmental themes.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal, especially companies that generate revenues from tobacco production or any other part of the tobacco value chain (suppliers, distributors, licensors),

and companies that generate revenues from thermal coal mining and coal fired power generation. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Details of the revenue thresholds together with certain other exclusions the Fund applies are listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. Further, the Fund does not directly invest in the sectors included in BlueOrchard Public Asset Exclusion List.

https://www.blueorchard.com/wp-content/uploads/20220520-BlueOrchard-Exclusion-Policy_Public-Assets.pdf

- The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Investment Manager's proprietary framework includes an assessment of the good governance practices of each investment, including on factors such as a company's code of conduct and ESG incident screening. The good governance score represents at least 33% of the proprietary framework ESG scorecard's score and comprises topics such as business integrity, compliance with local regulation, corporate governance accountability or transparency and disclosure maturity.

Post-investment, changes to these factors will be monitored, assessed and where appropriate engaged with. Where potential issues arise, the performance of an issuer is below expected, or when the reported data is incomplete to reach a conclusion, the Investment Manager will engage with the issuer to evaluate the performance. The Investment Manager will encourage investee companies to improve their good governance practices and disclosure as well as their end contribution to the social and climate related transformation.

What is the asset allocation and the minimum share of sustainable investments?

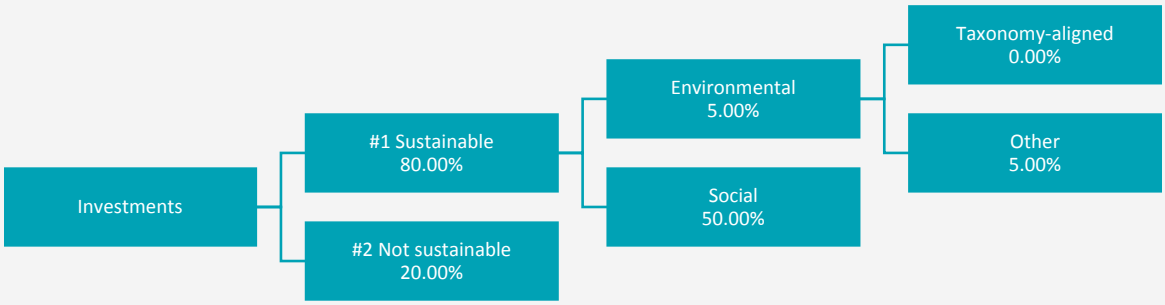
Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its sustainable investment objective are summarised below. The Fund invests at least 80% of its assets in sustainable investments, which means included in **#1 Sustainable** are investments in securities issued by governments, government agencies, supra-nationals and companies of emerging market countries that contribute towards the advancement of one or more of the UN SDGs by contributing positively towards social development and environmental themes. Within this overall commitment of 80%, there is a minimum commitment to invest at least 5% of its assets in sustainable investments with an environmental objective and at least 50% of its assets in sustainable investments with a social objective. The minimum proportions stated apply in normal market conditions.

#2 Not sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

This question is not applicable for the Fund

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the EU Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

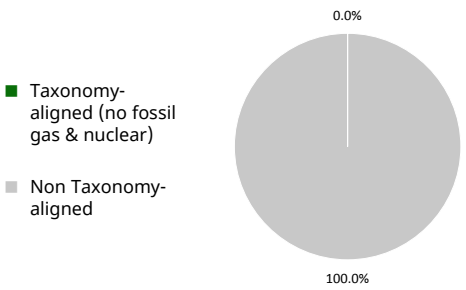
☑ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

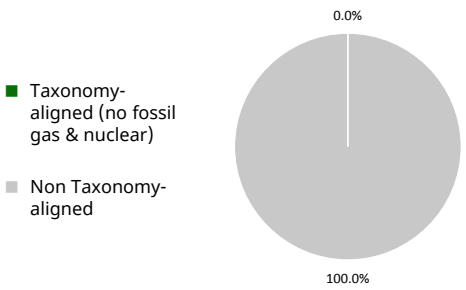
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 5% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with a social objective?

The Fund commits to invest at least 50% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

#2 Not Sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Climate Transition Credit

Legal entity identifier: 54930083X6X1LLU8U819

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good Governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☑ **Yes**	●○ ☐ **No**
☑ It will make a minimum of **sustainable investments with an environmental objective: 80.00%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **__%** of sustainable investments
☑ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☑ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What is the sustainable investment objective of this financial product?

The Fund aims to achieve income and capital growth by investing at least 80% of its assets in fixed and floating rate securities issued by companies, governments, government agencies, and supra-nationals worldwide that in the Investment Manager's view contribute to global climate transition objectives, advance climate mitigation and adaptation efforts, or provide climate or nature solutions. The Fund may also invest in investments that the Investment Manager deems to be neutral under its sustainability criteria, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Investment Manager employs a proprietary screening methodology, utilising in-house tools, research and external data sources (such as CDP, MSCI, ENCORE and Bloomberg), to identify sustainable investments that support global climate goals and the transition to a low-carbon economy. Investments must demonstrate a clear and measurable transition or enabling pathway, or contribute meaningfully to climate, environmental, or social improvements. Eligible issuers may include those reducing their own emissions, enabling others to reduce emissions, or those supporting climate adaptation or advancing nature or other environmental objectives. Investments are identified based on at least one of the following criteria:

- Issuers with credible transition plans addressing one or more sustainability factors
- Issuers with science-based targets or nature-related targets
- Issuers that provide climate solutions, nature solutions, or enabling activities
- Issuers contributing to climate change mitigation, resilience or adaptation
- Issuers focused on mitigating negative impacts on nature and biodiversity
- Issuers with partially or fully Taxonomy-eligible or Taxonomy-aligned economic activities or capital expenditure
- Green, social, or sustainable bonds financing environmental and social (including, but not limited to, just transition) projects

The Investment Manager periodically assesses whether an issuer's commitment to supporting global climate goals and the transition to a low-carbon economy is consistent with the criteria through which it earlier qualified for investment by the Fund and seeks to identify cases where it might deviate. These considerations may lead to divestment by the Investment Manager.

The Fund invests at least 5% of its assets in sustainable investments with an environmental objective that are aligned with the Taxonomy, including, but not limited to, climate change mitigation, climate change adaptation, the transition to a circular economy, and the protection and restoration of biodiversity and ecosystems.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Investment Manager uses a range of sustainability indicators to assess the contribution to an environmental objective at the investee company and issuer level, including credible transition plans, science-based targets, avoided emissions resulting from climate solution initiatives, and the extent of Taxonomy-aligned economic activities. Examples of the indicators include, but are not limited to: portfolio-level Paris alignment, carbon intensity, investments in green, social, and sustainable bonds, and investments aligned with the Taxonomy.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. - The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)

- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process as a Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score, one or more of PAIs 1, 2, 3, 5, and 6 are included. All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint. Issuers identified as laggards may be selected for engagement. Among others, the Investment Manager may engage with selected issuers on

topics such as reducing direct and indirect carbon footprint (related to PAIs 1, 2 and 3 covering GHG emissions). Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests its assets in (a) sustainable investments, which are investments that in the Investment Manager's view contribute to global climate transition objectives, advance climate mitigation and adaptation efforts, or provide climate or nature solutions, and (b) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The fund invests at least 20% of its assets in green, social, or sustainable bonds.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund or from the investible universe to gain insights or request improvement on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund invests at least two-thirds of its assets in fixed and floating rate securities issued by companies, governments, government agencies and supra-nationals worldwide, including emerging market countries.

The Fund may invest:

– up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);

– up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds.

The Investment Manager believes that over the long term, companies that manage the risks and invest in the opportunities arising from climate change better than peers will not only experience fewer penalties, but capture financial and non-financial rewards by various stakeholders.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

Issuers are assessed using a methodology that identifies issuers that in the Investment Manager's view contribute to global climate transition objectives, advance climate mitigation and adaptation efforts, or provide climate or nature solutions. This methodology is data-driven, sourced from established environmental initiatives and data sources such as the Carbon Disclosure Project (CDP), the Science Based Targets initiative (SBTi), MSCI, ENCORE, and Bloomberg, among other credible external and proprietary data sources and research.

The Investment Manager then screens the resulting universe for issuers it deems to have harmful and controversial practices defined by a specific list of exclusion criteria.

The Investment Manager may also engage with companies to encourage transition towards a more sustainable economy, and other environmental and social objectives. Through this process, the Investment Manager can identify potential investment opportunities and evaluate progress.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of fixed and floating rate securities denominated in various currencies and issued by companies worldwide, including emerging market countries. The universe (for the purpose of this test only) does not include fixed or floating rate securities issued by public or quasi-public issuers.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The following binding elements are applied throughout the investment process:

- The Fund is actively managed and invests at least 80% of its assets in sustainable investments, which are investments that in the Investment Manager's view contribute to global climate transition objectives, advance climate mitigation and adaptation efforts, or provide climate or nature solutions.

- The Fund commits to invest at least 20% of its assets in green, social, or sustainable bonds.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal, especially companies that generate revenues from tobacco production or from the tobacco value chain (such as suppliers, distributors, retailers and licensors) and companies that generate revenues from thermal coal mining and coal fired power generation. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Details of the revenue thresholds together with certain other exclusions the Fund applies are listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation and the minimum share of sustainable investments?

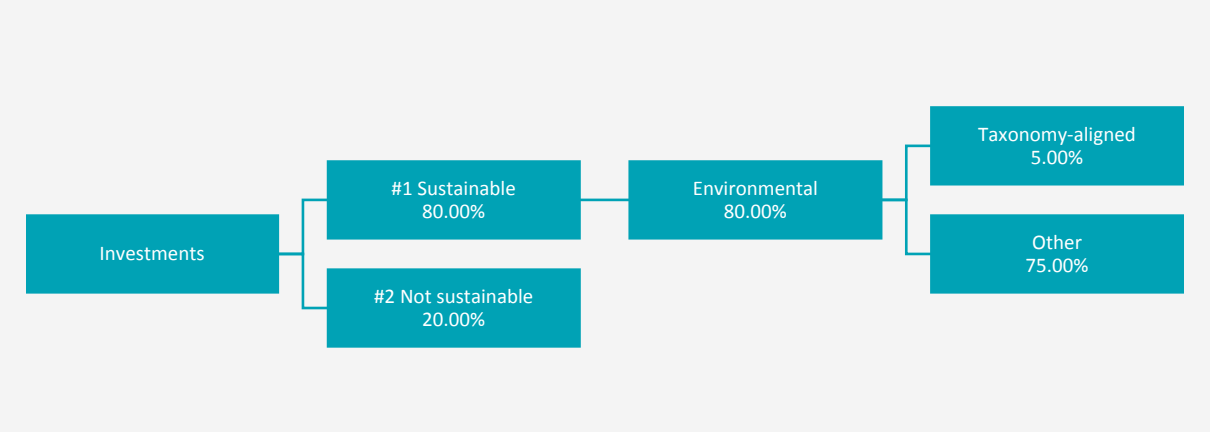
Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its sustainable investment objective are summarised below. The Fund invests at least 80% of its assets in sustainable investments, which means included in **#1 Sustainable** are investments in fixed and floating rate securities issued by companies, governments, government agencies and supra-nationals worldwide that in the Investment Manager's view contribute to global climate transition objectives, advance climate mitigation and adaptation efforts, or provide climate or nature solutions. The minimum proportion stated applies in normal market conditions.

#2 Not sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainable investment objective.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Fund invests at least 5% of its assets in sustainable investments with an environmental objective that are aligned with the Taxonomy, including, but not limited to, climate change mitigation, climate change adaptation, the transition to a circular economy, and the protection and restoration of biodiversity and ecosystems. These investments include fixed and floating rate securities issued by companies, governments, government agencies and supra-nationals worldwide.

In respect of investee companies that are non-financial undertakings, the degree to which investments are in environmentally sustainable economic activities is measured primarily by reference to the turnover of the investee companies. Turnover reflects the current proportion of revenues derived from environmentally sustainable economic activities and therefore provides an objective measure of a company's existing sustainable economic output. In addition, given the characteristics of the Fund, the degree to which investments are in environmentally sustainable economic activities may also be assessed by reference to capital expenditure (CapEx) or operating expenditure (OpEx), where appropriate. This reflects the Fund's focus on forward-looking transition characteristics and the financing of activities that are expected to become Taxonomy-aligned over time. For example, use-of-proceeds bonds typically finance capital expenditure; therefore, CapEx may be considered an appropriate measure when assessing the Taxonomy alignment of such investments. The use of CapEx or OpEx is considered appropriate because these metrics capture financial commitments to environmentally sustainable economic activities that may not yet be reflected in current turnover.

Where information on the degree to which investments are in environmentally sustainable economic activities is not readily available through public disclosures by investee companies, the Investment Manager will seek to obtain equivalent information directly from investee companies or from third-party providers. In such cases, reasonable estimates may be used.

The Fund may also invest in assets that are not Taxonomy-aligned. This may be because certain investments do not contribute to, or do not report sufficient data to demonstrate contribution to, an environmentally sustainable objective under the Taxonomy, and because the Fund invests on a global basis. The Investment Manager also undertakes additional environmental analysis as part of the investment process.

The Fund will ensure that at least 5% of its investments are Taxonomy-aligned, regardless of the proportion of sovereign bonds within the Fund's portfolio. However, some of these investments may include sovereign bonds, to the extent that they are use-of-proceeds bonds and the Investment Manager has assessed them as contributing to environmentally sustainable economic activities.

Compliance of these investments with the requirements laid down in the Taxonomy will not be subject to an assurance provided by one or more auditors or a review by one or more third parties.

To comply with the EU Taxonomy, the criteria for **fossil gas** include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☑Yes:

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

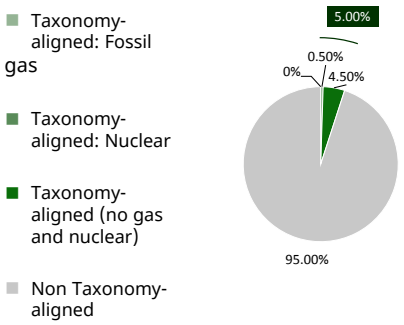
☐ In fossil gas ☑ In nuclear energy

☐ No

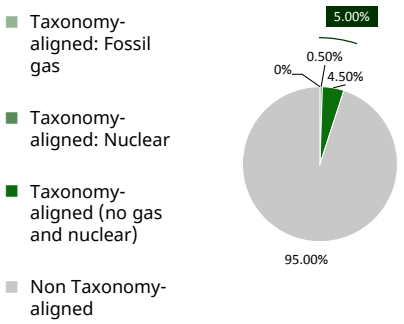
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents 100% of the total investments.

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

The aggregate minimum share of investments in transitional and enabling activities is 1%.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

are environmentally sustainable investments that **do not take into account the criteria** for environmentally

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 75%.

However, it is important to note that a lack of reported alignment does not necessarily mean the absence of environmentally sustainable activities. Some companies may in fact conduct taxonomy eligible activities but do not yet disclose taxonomy data under the EU's reporting requirements. As a result, the proportion of investments associated with taxonomy eligible activities may be higher than what may be reported.

sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with a social objective?

This question is not applicable for the Fund.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

#2 Not Sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund China A All Cap

Legal entity identifier: 5493000BXUD89QYZ9M71

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI China A Onshore (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI China A Onshore (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI China A Onshore (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators were considered via the application of exclusions, some were considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process through the bottom-up stock analysis at a company level. The Asian Equities investment team uses a proprietary tool which provides a framework for analysing a company's relationship with its stakeholders and the sustainability of its business model and covers PAIs 1, 2, 3 and 6 (Greenhouse gas emissions). PAI indicators may be further reviewed via the Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The Investment Manager may engage with selected issuers held by the Fund on PAIs. For example, we aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2,3), procuring renewable energy (PAI 5) and further topics of engagement may include board gender diversity which relates to PAI 13.

Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of Chinese companies listed and traded on Chinese stock exchanges such as Shenzhen or Shanghai Stock Exchanges (China A-Shares). The Fund typically holds 30 – 50 companies.

The Fund may invest in a broad range of companies regardless of market capitalisations.

The Fund may invest up to 100% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

– Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;

– the Qualified Foreign Investor ("QFI") scheme;

– shares listed on the STAR Board and the ChiNext; and

– Regulated Markets.

The Fund may invest up to 10% of its assets in offshore listed Chinese companies and up to 10% of its assets in the offshore listing of dual-listed Chinese A-Share companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI China A Onshore (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

In the selection and assessment of potential investment opportunities and holdings, companies are assessed on a stakeholder-based approach against criteria including, but not limited to (1) good governance practices; (2) impact on the environment and local communities; and (3) fair and equitable treatment of employees, suppliers and customers. Information and insights derived from Schroders' proprietary sustainability tools are utilised in this assessment and due diligence process.

The Investment Manager's proprietary analysis and ongoing engagement with companies may also help it derive a reasonable level of conviction that concrete steps will be or are being taken to transition out of business segments or practices that have not met the sustainability criteria or to improve on their relevant areas of weakness. The Investment Manager may consider these companies eligible for investment ahead of seeing changes in the company's ratings and rankings across both internal and external evaluation metrics.

The primary sources of information used to perform the analysis include the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI China A Onshore (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

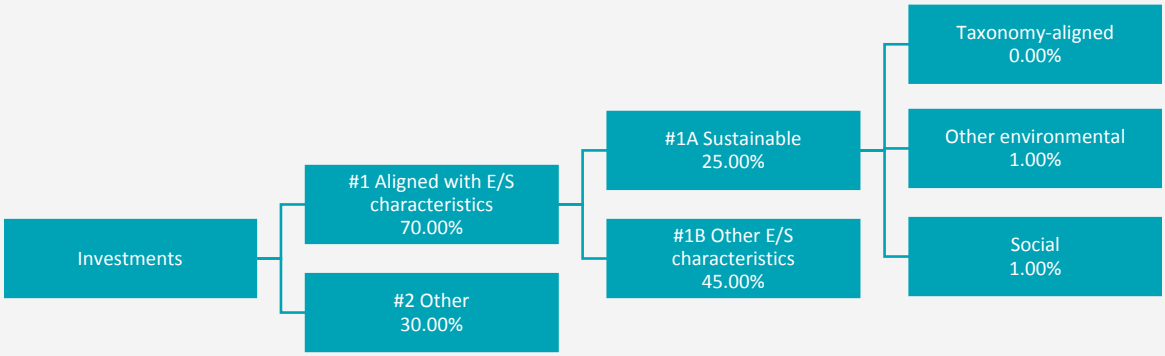
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI China A Onshore (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

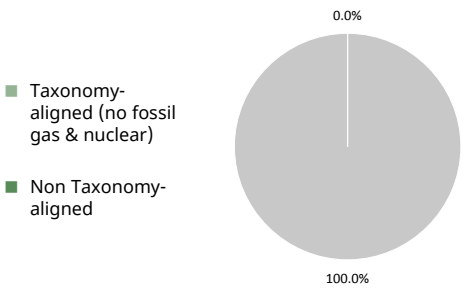
☑ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

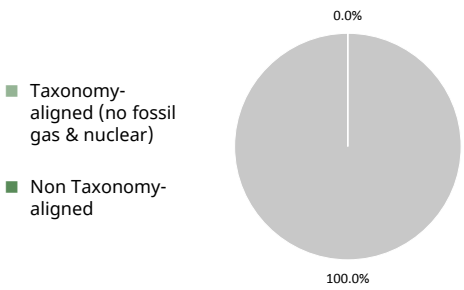
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund China Local Currency Bond

Legal entity identifier: HPREJ5FHRTOCLC11ND15

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **__%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☑ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the iBoxx ALBI China Onshore index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the iBoxx ALBI China Onshore index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the iBoxx ALBI China Onshore index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

This question is not applicable for the Fund.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

This question is not applicable for the Fund.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

This question is not applicable for the Fund.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

This question is not applicable for the Fund.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
Integration in issuer analysis / investment process
PAIs are also considered through integration in the investment process as Schroders' proprietary tools incorporate several PAIs as a component of its scoring methodology. For example, within a Schroders' proprietary tool, PAIs related to carbon footprint and greenhouse gas emissions (PAIs 1, 2, 3, 4, 5 and 15) and PAI 7 (Activities negatively affecting biodiversity-sensitive areas) are included in assessing an issuer's overall environmental score, while PAI 12 (Unadjusted gender pay gap) and PAI 13 (Board gender diversity) are included in assessing an issuer's overall social score.
The combination of the Investment Manager's fundamental and quantitative analysis helps to provide a comprehensive view on ESG factors on a country, sector and issuer level.
That said, due to a lower availability of PAI indicators for many issuers in Asia, some PAIs may be less meaningful in the context of an Asia focused strategy. Over time we anticipate that this data will improve which will allow us to further assess the consideration of PAIs. All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to

active ownership.
The Investment Manager may engage with selected issuers held in the Fund, with a primary focus on corporate engagements relating to PAIs 1, 2, 3, 4, 5, 12, 13 and 15. For each issuer, the Investment Manager assesses and identifies the most relevant topics for engagement based on Schroders' proprietary tools, data from external data providers, and in-house analysis.
We also aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2, 15).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities, convertible bonds and Money Market Investments denominated or hedged back to onshore RMB (CNY).

These instruments may be issued outside or inside of mainland China by governments, government agencies, supra-nationals and companies which may or may not be established or incorporated in mainland China across sectors and credit quality. The Fund may also invest in fixed income securities denominated in offshore RMB (CNH).

The Fund may invest up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may invest in instruments traded on the RMB Bond market in Hong Kong and in instruments denominated in RMB traded on other Regulated Markets.

The Fund may invest up to 100% of its assets directly in mainland China through (i) QFI schemes or QFII related schemes supervised by the China Securities Regulatory Commission provided investment restriction is complied with and/or they qualify as Investment Funds and (ii) Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

Investments in mainland China Regulated Markets and interbank bond markets may also be performed indirectly through notes, certificates or other instruments (which qualify as transferable securities and do not embed a derivative element), open-ended Investment Funds and eligible financial derivative instruments.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the iBoxx ALBI China Onshore index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

– the exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct.

– the inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the iBoxx ALBI China Onshore index based on the Investment Manager's rating criteria.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

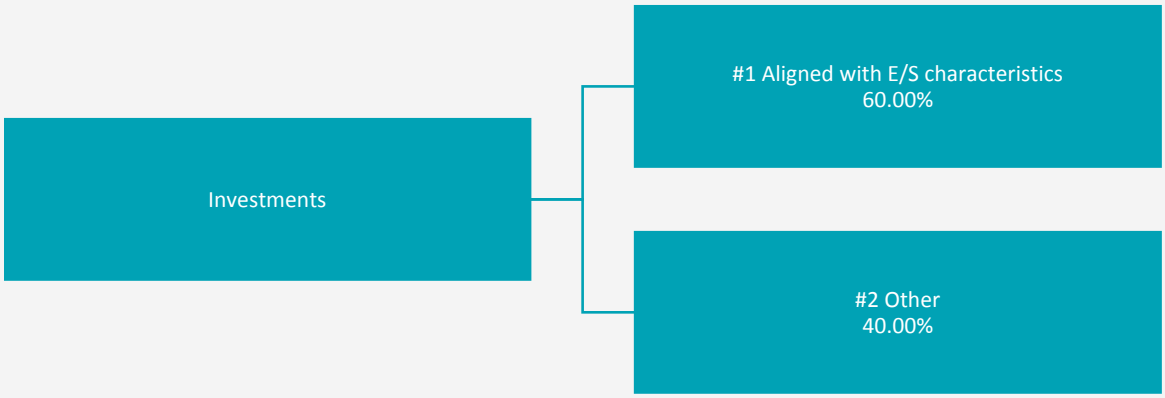
The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the iBoxx ALBI China Onshore index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). The minimum proportion stated in #1 applies in normal market conditions. The actual proportion is expected to be higher.

#2 Other includes cash, which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately

disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

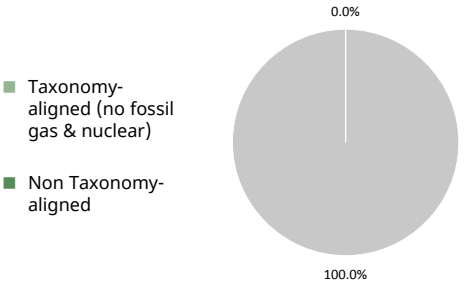
☐ In fossil gas ☐ In nuclear energy

☑ No

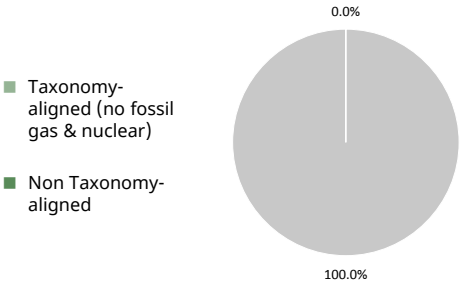
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

This question is not applicable for the Fund.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

This question is not applicable for the Fund.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash, which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

How does the designated index differ from a relevant broad market index?

This question is not applicable for the Fund.

Where can the methodology used for the calculation of the designated index be found?

This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund China Opportunities

Legal entity identifier: CON8ADEN6LBWQO6J6710

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI China (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI China (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI China (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment (i) demonstrates a net positive across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process through the bottom-up stock analysis at a company level. The Asian Equities investment team uses a proprietary tool which provides a framework for analysing a company's relationship with its stakeholders and the sustainability of its business model and covers PAIs 1, 2, 3 and 6 (Greenhouse gas emissions). PAI indicators may be further reviewed via the Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The Investment Manager may engage with selected issuers held by the Fund on PAIs. For example, we aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2,3), procuring renewable energy (PAI 5) and further topics of engagement may include board gender diversity which relates to PAI 13.

Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two thirds of its assets in equity and equity-related securities of Chinese companies.

The Fund may invest directly in China H-Shares and may invest less than 50% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

– Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;

– the Qualified Foreign Investor (QFI) Scheme;

– shares listed on the STAR Board and the ChiNext; and

– Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI China (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

In the selection and assessment of potential investment opportunities and holdings, companies are assessed on a proprietary stakeholder-based approach against criteria including, but not limited to (1) good governance practices; (2) impact on the environment and local communities; and (3) fair and equitable treatment of employees, suppliers and customers. Information and insights derived from Schroders' proprietary sustainability tools are utilised in this assessment and due diligence process.

The Investment Manager's proprietary analysis and ongoing engagement with these companies may also help it derive a reasonable level of conviction that concrete steps will be or are being taken to transition out of business segments or practices that have not met the sustainability criteria or improve on their relevant areas of weakness. The Investment Manager may consider these companies eligible for investment ahead of seeing changes in the company's ratings and rankings across both internal and external evaluation metrics.

The primary sources of information used to perform the analysis include the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI China (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

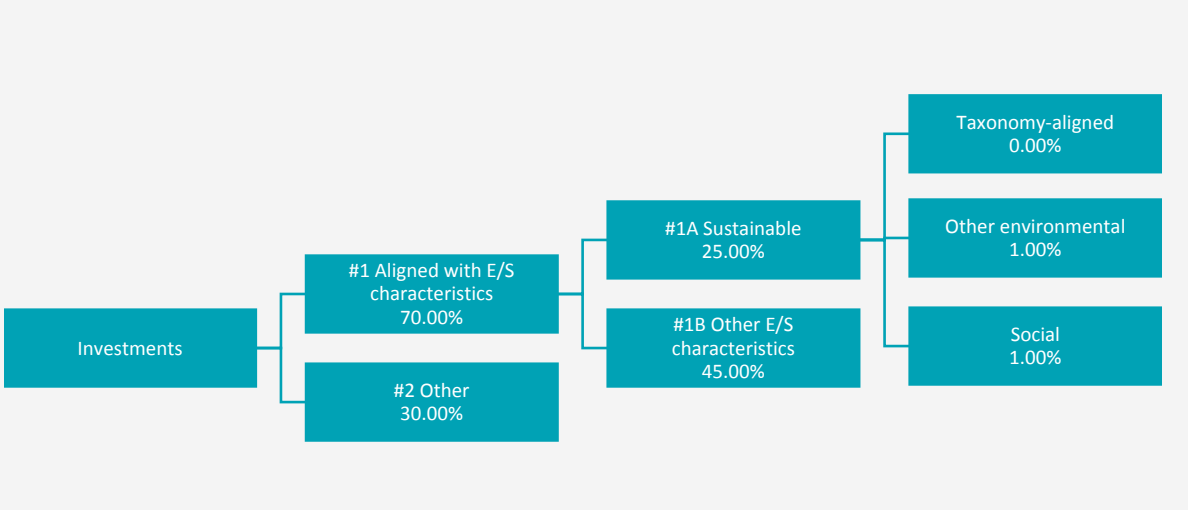
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI China (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

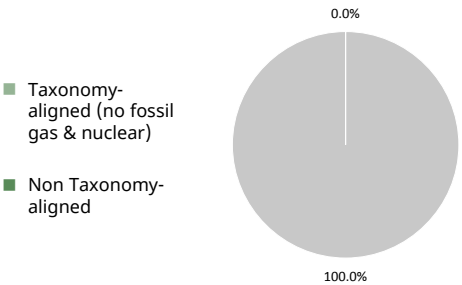
☐ In fossil gas ☐ In nuclear energy

☑ No

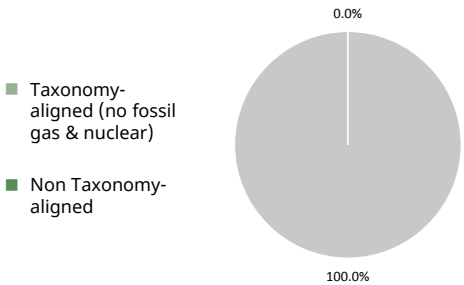
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with The EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Dynamic Income

Legal entity identifier: 6367003LO6P8ZSCB6R06

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend of MSCI World Index (USD), MSCI Emerging Market Index (USD), Bloomberg Global Aggregate Corporate Bond Index (USD), Bloomberg Global High Yield excl CMBS & EMD 2% Index (USD), ICE BofA US Treasury Index (USD), JPM GBI Emerging Market Index - EM Local (USD), JPM EMBI Index EM Hard Currency (USD), FTSE Global Convertible Bonds Index (USD), based on the Investment Manager's rating system. The component benchmarks (which are each respectively a broad market index) do not take into account the environmental and social characteristics promoted by the Fund. The blend will evolve over time in line with the actual asset allocation of the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the blend of the named benchmarks by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the blend of the named benchmarks that reflects the Fund's asset allocation. Both scores are based on month-end data over the previous six month period. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions,

water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls.

The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. Quantitative: this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to PAI 4 (Exposure to companies active in the fossil fuel sector), PAI 5 (Share of non-renewable energy consumption and production) and PAI 14 (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, PAI 1 (GHG emissions), PAI 2 (Carbon footprint) and Voluntary PAI 4 in Table 2 (Investing in companies without carbon emission reduction initiatives). PAI 3 (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for PAI 6 (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for PAI 15 (GHG intensity). PAI 16 (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Fund allocates its assets across multiple underlying strategies. Some PAIs are considered at the Fund level, whilst other PAIs are considered at the level of the underlying strategies by the relevant investment manager where applicable.

Some PAIs are considered as part of pre-investment through the application of exclusions applied at the Fund level. These include:

- Controversial weapons (PAI 14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: (PAI 4 (Exposure to companies active in the fossil fuel sector), PAI 5 (Share of non-renewable energy consumption and production) – applied to relevant underlying strategies.

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

Where appropriate PAIs are also considered through integration in the investment process, specifically the stock selection process in underlying strategies. For example the global equity strategy considers PAIs in the following way:

- Schroders' proprietary tool, which is used as part of screening the investment universe and for providing a maximum that can be invested in each company, incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score, PAIs 1, 2 and 3 (Greenhouse gas emissions) are included. In assessing an issuer's overall social score, PAIs 12 (Unadjusted gender pay gap) and 13 (Board gender diversity) are included.

The investment team monitors all PAI indicators via Schroders' PAI dashboard.

Other PAIs are considered via active ownership, which where relevant is performed indirectly via the underlying investment managers. Where applicable, based on the underlying strategies and the relevant investment manager's own investment process, PAIs are considered post-investment through engagement in line with the approach and expectations set out in Schroders Engagement Blueprint.

Examples of PAIs captured via this approach included PAI 1 (GHG emissions, PAI 2 (Carbon footprint), PAI 3 (GHG intensity of investee companies) and PAI 13 (Board gender diversity).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests directly or indirectly through derivatives in equity and equity-related securities, fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide including emerging markets in various currencies and Alternative Asset Classes (subject to any restrictions provided in Appendix I).

The Fund may invest:

– up to 40% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) and unrated securities.

– up to 30% of its assets in emerging markets.

– up to 20% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

– Up to 15% of its assets in Alternative Asset Classes

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Fund may invest directly in China H-Shares and may invest less than 15% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext. The Fund may also invest up to 10% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund may invest in Money Market Investments and hold cash. The Fund may invest up to 10% of its assets in open-ended Investment Funds.

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend* of MSCI World Index (USD), MSCI Emerging Market Index (USD), Bloomberg Global Aggregate Corporate Bond Index (USD), Bloomberg Global High Yield excl CMBS & EMD 2% Index (USD), ICE BofA US Treasury Index (USD), JPM GBI Emerging Market Index - EM Local (USD), JPM EMBI Index EM Hard Currency (USD), FTSE Global Convertible Bonds Index (USD), based on the Investment Manager's rating system.

*The blend will evolve over time in line with the actual asset allocation of the Fund.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The investable universe is assessed using a number of proprietary tools, as well as external rating services.

The Investment Manager will assess companies against a variety of environmental, social and governance metrics, taking into account issues such as climate change, environmental performance, labour standards and board composition. The Investment Manager will decide whether an investment is eligible for inclusion taking into account the overall ESG score. The multi-asset nature of the Fund means that the Investment Manager will analyse the ESG scores across asset classes as an input into the asset allocation of the Fund. The Investment Manager may select investments, which it deems to contribute to one or more environmental or social objectives, provided that they do no significant harm to any other environmental or social objectives.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend* of MSCI World Index (USD), MSCI Emerging Market Index (USD), Bloomberg Global Aggregate Corporate Bond Index (USD), Bloomberg Global High Yield excl CMBS & EMD 2% Index (USD), ICE BofA US Treasury Index (USD), JPM GBI Emerging Market Index - EM Local (USD), JPM EMBI Index EM Hard Currency (USD), FTSE Global Convertible Bonds Index (USD), based on the Investment Manager's rating system.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.

- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

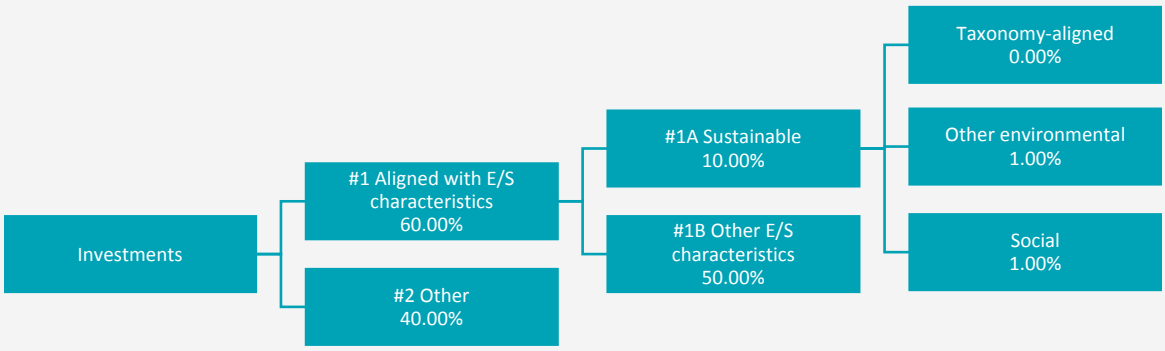
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than a bespoke asset-weighted blend of MSCI World Index (USD), MSCI Emerging Market Index (USD), Bloomberg Global Aggregate Corporate Bond Index (USD), Bloomberg Global High Yield excl CMBS & EMD 2% Index (USD), ICE BofA US Treasury Index (USD), JPM GBI Emerging Market Index - EM Local (USD), JPM EMBI Index EM Hard Currency (USD), FTSE Global Convertible Bonds Index (USD), and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives such as equity index futures may be used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives may therefore be used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately

disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]?

☐ Yes:

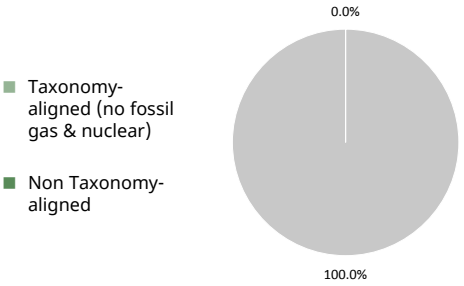
☐ In fossil gas ☐ In nuclear energy

☑ No

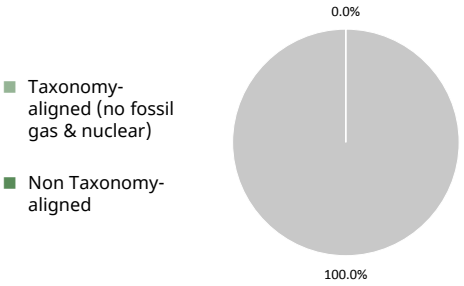
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with The EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Dynamic Opportunities

Legal entity identifier: 5493002E4JUCFUL6QF10

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend* of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), Thomson Reuters Global Convertible Bonds Index (hedged to EUR), based on the Investment Manager's rating system.

The component benchmarks (which are each respectively a broad market index) do not take into account the environmental and social characteristics promoted by the Fund.

*The blend will evolve over time in line with the actual asset allocation of the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the blend of the named benchmarks by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the blend of the named benchmarks that reflects the Fund's asset allocation. . Both

scores are based on month-end data over the previous six-month period. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether the asset is classified as a green, social and/or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

human rights, anticorruption and antibribery matters.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Fund allocates its assets across multiple underlying strategies. Some PAIs are considered at the Fund level, whilst other PAIs are considered at the level of the underlying strategies by the relevant investment manager where applicable.

Some PAIs are considered as part of pre-investment through the application of exclusions applied at the Fund level. These include:

- Controversial weapons (PAI 14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: (PAI 4 (Exposure to companies active in the fossil fuel sector), PAI 5 (Share of non-renewable energy consumption and production) – applied to relevant underlying strategies.

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

Where appropriate PAIs are also considered through integration in the investment process, specifically the stock selection process in underlying strategies. For example the global equity strategy considers PAIs in the following way:

- Schroders' proprietary tool, which is used as part of screening the investment universe and for providing a maximum that can be invested in each company, incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score, PAIs 1, 2 and 3 are included. In assessing an issuer's overall social score, PAIs 12 and 13 are included.

The investment team monitors all PAI indicators via Schroders' PAI dashboard.

Other PAIs are considered via active ownership, which where relevant is performed indirectly via the underlying investment managers. Where applicable, based on the underlying strategies and the relevant investment manager's own investment process, PAIs are considered post-investment through engagement in line with the approach and expectations set out in Schroders Engagement Blueprint. Examples of PAIs captured via this approach included PAI 1 (GHG emissions, PAI 2 (Carbon footprint), PAI 3 (GHG intensity of investee companies) and PAI 13 (Board gender diversity).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests directly, or indirectly through derivatives, in equity and equity-related securities, fixed income securities and Alternative Asset Classes (subject to any restrictions provided in Appendix I).

Fixed income securities include fixed or floating rate securities such as government bonds, corporate bonds, emerging market debt, directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade (fixed and floating rate) securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies), convertible bonds and inflation linked bonds.

The Fund may invest up to 20% of its assets indirectly in commodities. The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk, mitigating losses in falling markets or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, total return swaps and contracts for difference will be used on a continuous basis to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund may (exceptionally) hold up to 100% of its assets in cash and Money Market Investments. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR. The Fund may invest up to 10% of its assets in open-ended Investment Funds.

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend* of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), Thomson Reuters Global Convertible Bonds Index (hedged to EUR), based on the Investment Manager's rating system.

*The blend will evolve over time in line with the actual asset allocation of the Fund.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The investable universe is assessed using a number of proprietary tools, as well as external rating services.

The Investment Manager will assess companies against a variety of environmental, social and governance metrics, taking into account issues such as climate change, environmental performance, labour standards and board composition. The Investment Manager will decide whether an investment is eligible for inclusion taking into account the overall ESG score. The multi-asset nature of the Fund means that the Investment Manager will analyse the ESG scores across asset classes as an input into the asset allocation of the Fund.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

90% of the portion of the NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

75% of the portion of the NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend* of the of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), Thomson Reuters Global Convertible Bonds Index (hedged to EUR) based on the Investment Manager's rating criteria.

*The blend will evolve over time in line with the actual asset allocation of the Fund.

- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

- The Investment Manager ensures that at least:

90% of the portion of the NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

75% of the portion of the NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable to the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than a bespoke asset-weighted blend* of the of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), Thomson Reuters Global Convertible Bonds Index (hedged to EUR), and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

*The blend will evolve over time in line with the actual asset allocation of the Fund.

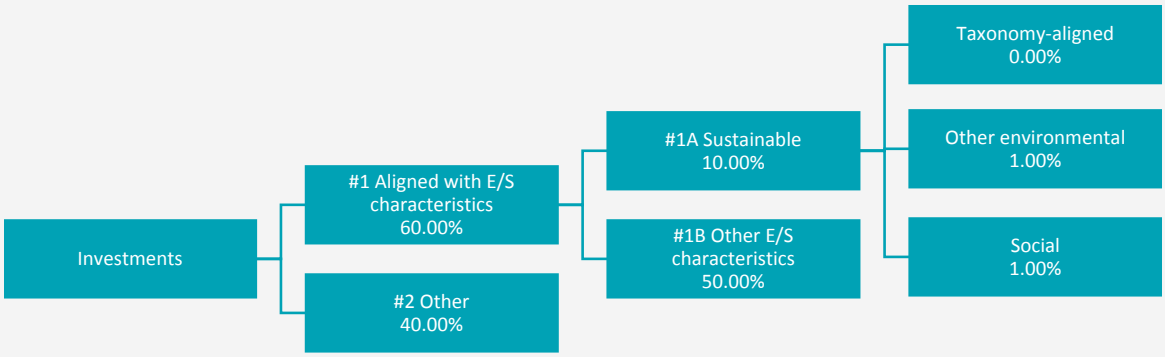
The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's

management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives such as equity index futures may be used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives may therefore be used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

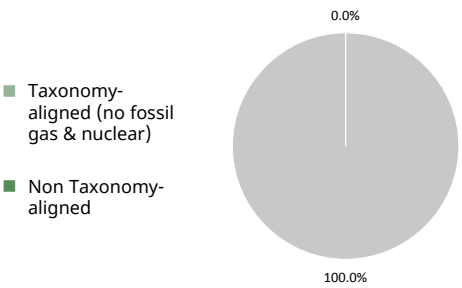
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

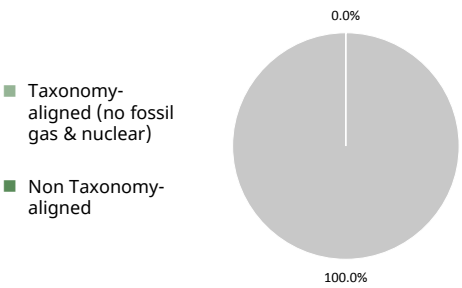
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Emerging Europe

Legal entity identifier: 84NPEABGB2F2O9O8EG57

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments*
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**
	* The Fund will not include or consider the Russian equities and equity related securities within the X9 and Y9 share classes in relation to the promotion of its environmental and/or social characteristics (within the meaning of Article 8 SFDR).

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI EFM Europe + CIS (E+C) Index (Net TR), based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI EFM Europe + CIS (E+C) Index (Net TR) by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI EFM Europe + CIS (E+C) Index (Net TR) in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls.

The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to PAI 4 (Exposure to companies active in the fossil fuel sector), PAI 5 (Share of non-renewable energy consumption and production) and PAI 14 (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - PAI 7 (Activities negatively affecting biodiversity-sensitive areas)
  - PAI 8 (Emissions to water)
  - PAI 9 (Hazardous waste and radioactive waste ratio)
  - PAI 10 (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process through the bottom up stock analysis at a company level. The emerging markets investment team has a number of proprietary tools to aid ESG analysis. At the company level, one of Schroders proprietary tools is the main repository for the team's ESG analysis. The tool provides a systematic framework for analysing a company's relationship with its stakeholders and the sustainability of its business model. It contains more than 250 metrics drawn from traditional and alternative data sources that assess a company's performance in specific areas.

PAIs 1,2,3 (Greenhouse gas emissions), 9 (Hazardous waste and radioactive waste ratio) and 13 (Board gender diversity) are specifically considered as part of the Schroders proprietary tool analysis where appropriate and material to the business. In the case of PAI 8 (Emissions to water) and 12 (Unadjusted gender pay gap) the availability of data is very limited, so this is monitored at the overall portfolio level.

All PAI indicators are monitored via Schroders PAI dashboard. We review the PAI data in the PAI dashboard regularly as part of the monthly ESG risk meeting which formally reviews portfolio level ESG characteristics.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The Investment Manager may engage with selected issuers held by the Fund on PAIs. For example, we aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2,3) and procuring renewable energy (PAI 5). Further topics of engagement may include board gender diversity, which relates to PAI 13.

Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in emerging markets.

The Fund is actively managed and invests at least two-thirds of its assets in a concentrated portfolio of equity and equity related securities of Central and Eastern European companies, including the markets of the former Soviet Union and the Mediterranean emerging markets. The Fund may also invest in equity and equity related securities of North African and Middle Eastern companies.

The Fund typically holds 30-50 companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI EFM Europe + CIS (E+C) Index (Net TR), based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The Investment Manager performs due diligence on potential holdings, including meetings with management, and assesses the company's governance, environmental and social profile across a range of factors. This process is supported by quantitative analysis provided by Schroders' proprietary sustainability tools, which are key inputs to assess how existing and potential investments for the portfolio are meeting the Fund's sustainability criteria. In some cases, companies which fall below the sustainability criteria may still be eligible for investment if, as a result of proprietary analysis and ongoing engagement with management, the Investment Manager believes the company will meet its sustainability criteria within a realistic time horizon.

For a company to be eligible to be held in the Fund, it is expected to show a commitment to its stakeholders, including customers, employees, suppliers, shareholders and regulators. The Fund selects companies whose businesses demonstrate good governance and aim to treat stakeholders equitably.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data and reports.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

90% of the portion of the NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

75% of the portion of the NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI EFM Europe + CIS (E+C) (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below. The Fund will not include or consider the Russian equities and equity related securities within the X9 and Y9 share classes in relation to the promotion of its environmental and/or social characteristics.

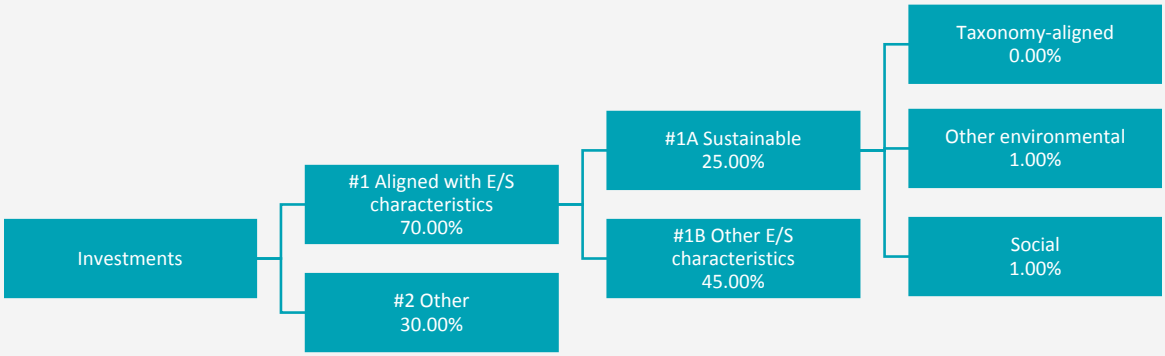
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI EFM Europe + CIS (E+C) Index (Net TR), and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

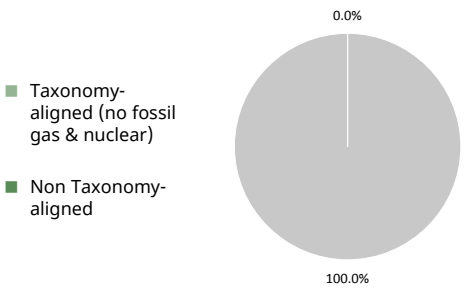
☑ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

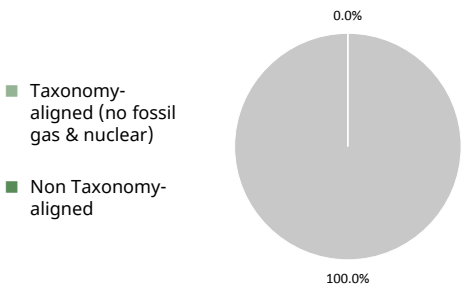
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Emerging Market Bond

Legal entity identifier: 3NX0X12IEEAKV8XWQF13

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **__%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☑ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the JP Morgan Emerging Market Blend Equal Weighted index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the JP Morgan Emerging Market Blend Equal Weighted index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the JP Morgan Emerging Market Blend Equal Weighted index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

This question is not applicable for the Fund.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

This question is not applicable for the Fund.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

This question is not applicable for the Fund.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

This question is not applicable for the Fund.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2), procuring renewable energy (PAI 5).

There tend to be fewer opportunities to engage with sovereign issuers, as opposed to corporate issuers, but nonetheless we aim to engage with sovereign and supranational issuers on a periodic basis, primarily with respect to their approach to net zero carbon strategies (relating to PAI 15, GHG intensity).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The

Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in various currencies and issued by governments, government agencies, supra-nationals and companies from the emerging markets.

The Fund may invest:

- up to 20% of its assets in asset-backed securities and mortgage-backed securities; and
- in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Fund may invest up to 10% of its assets in mainland China through the Qualified Foreign Investor ("QFI") scheme or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund intends to use derivatives (including total return swaps) with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis including but not limited to periods of rising inflation or increases in interest rates. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on fixed and floating rate securities. The gross exposure of total return swaps and contracts for difference will not exceed 5% and is expected to remain within the range of 0% to 5% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund maintains a higher overall sustainability score than the JP Morgan Emerging Market Blend Equal Weighted index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Sustainability factors are assessed throughout both sovereign and credit allocation decisions.

In assessing sustainability factors for sovereign issuers, the Investment Manager considers that countries with stable and non-corrupt governments are likely to be more willing and able to service their debts, while political considerations, including the impact of social and governance factors, can influence a country's inflation and currency profile and thus have a material impact on the real value of debt. Environmental impacts – which can be more pertinent over a longer-term horizon – are also incorporated. Countries are appraised for ESG factors during both the fundamental and quantitative stages of the process. The Investment Manager's approach includes the use of Schroders' proprietary sustainability tools to rank countries by measuring their performance against multiple sustainability related indicators.

Corporate issuers are also assessed across a range of environmental, social and governance factors. The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. Issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct will generally be excluded.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the JP Morgan Emerging Market Blend Equal Weighted index based on the Investment Manager's rating criteria.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

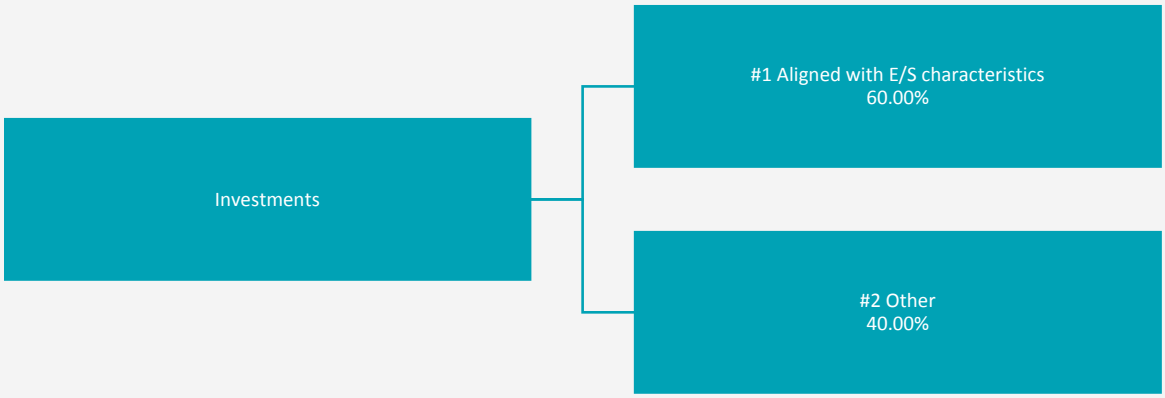
The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the JP Morgan Emerging Market Blend Equal Weighted index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

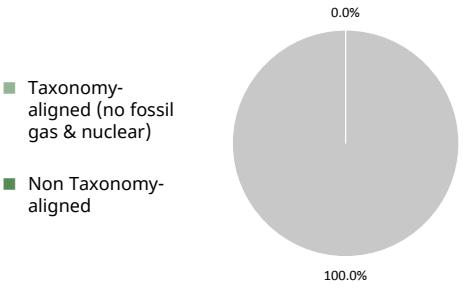
☐ In fossil gas ☐ In nuclear energy

☑ No

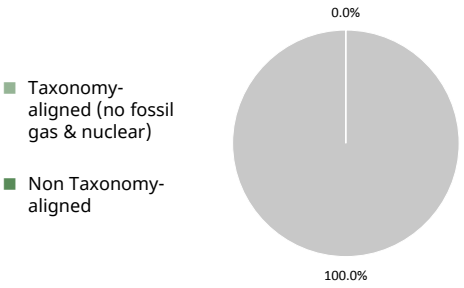
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

This question is not applicable for the Fund.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

This question is not applicable for the Fund.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

This question is not applicable for the Fund.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Emerging Markets

Legal entity identifier: BDU06UKEHWLI0JDDWF68

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI Emerging Markets (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI Emerging Markets (Net TR) index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and

compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process through the bottom up stock analysis at a company level. The emerging markets investment team has a number of proprietary tools to aid ESG analysis. At the company level, Schroders proprietary tool is the main repository for the team's ESG analysis. Schroders proprietary tool provides a systematic framework for analysing a company's relationship with its stakeholders and the sustainability of its business model. It contains more than 250 metrics drawn from company reports and other sources that assess a company's performance in specific areas.
PAIs 1,2,3,9,13 are specifically considered as part of the Schroders proprietary tool analysis where appropriate and material to the business. In the case of PAI 8 and 12 the availability of data is very limited so it is not widely used within Schroders proprietary tool but monitored instead at the overall portfolio level.
All PAI indicators are monitored via Schroders PAI dashboard. We review the PAI data in the PAI dashboard regularly as part of the monthly ESG risk meeting which formally reviews portfolio level ESG characteristics.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.
The Investment Manager may engage with selected issuers held by the Fund on PAIs. For example, we aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2,3), procuring renewable energy (PAI 5) and further topics of engagement may include board gender diversity which relates to PAI 13.
Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in emerging markets.

The Fund may invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The Investment Manager performs due diligence on potential holdings, including meetings with management, and assesses the company's governance, environmental and social profile across a range of factors. This process is supported by quantitative analysis provided by Schroders' proprietary sustainability tools, which are key inputs to assess how existing and potential investments for the portfolio are meeting the Fund's sustainability criteria. In some cases, companies which fall below the sustainability criteria may still be eligible for investment if, as a result of proprietary analysis and ongoing engagement with management, the Investment Manager believes the company will meet its sustainability criteria within a realistic time horizon.

For a company to be eligible to be held in the Fund, it is expected to show a commitment to its stakeholders, including customers, employees, suppliers, shareholders and regulators. The Fund selects companies whose businesses demonstrate good governance and aim to treat stakeholders equitably.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data and reports.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

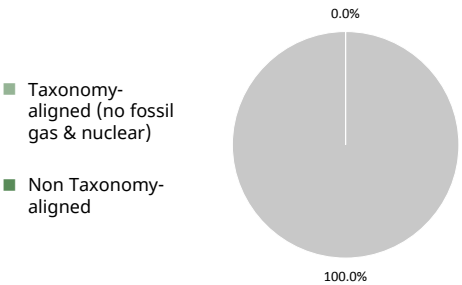
☐ In fossil gas ☐ In nuclear energy

☑ No

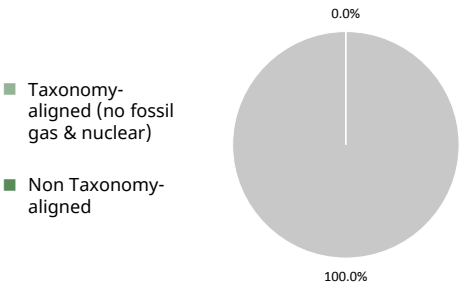
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Emerging Markets ex China

Legal entity identifier: 636700J6JW0DW2LOUW56

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets ex China 10/40 (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI Emerging Markets ex China 10/40 (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI Emerging Markets ex China 10/40 (Net TR) index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosures" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)

- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack

of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process through the bottom up stock analysis at a company level. The emerging markets investment team has a number of proprietary tools to aid ESG analysis. At the company level, Schroders proprietary tool is the main repository for the team's ESG analysis. Schroders proprietary tool provides a systematic framework for analysing a company's relationship with its stakeholders and the sustainability of its business model. It contains more than 250 metrics drawn from company reports and other sources that assess a company's performance in specific areas.

PAIs 1,2,3,9,13 are specifically considered as part of the Schroders proprietary tool analysis where appropriate and material to the business. In the case of PAI 8 and 12 the availability of data is very limited so it is not widely used within Schroders proprietary tool but monitored instead at the overall portfolio level.

All PAI indicators are monitored via Schroders PAI dashboard. We review the PAI data in the PAI dashboard regularly as part of the monthly ESG risk meeting which formally reviews portfolio level ESG characteristics.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The Investment Manager may engage with selected issuers held by the Fund on PAIs. For example, we aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2,3), procuring renewable energy (PAI 5) and further topics of engagement may include board gender diversity which relates to PAI 13.

Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in emerging markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets ex China 10/40 (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The Investment Manager performs due diligence on potential holdings, including meetings with management, and assesses the company's governance, environmental and social profile across a range of factors. This process is supported by quantitative analysis provided by Schroders' proprietary sustainability tools, which are key inputs to assess how existing and potential investments for the portfolio are meeting the Fund's sustainability criteria. In some cases, companies which fall below the sustainability criteria may still be eligible for investment if, as a result of proprietary analysis and ongoing engagement with management, the Investment Manager believes the company will meet its sustainability criteria within a realistic time horizon.

For a company to be eligible to be held in the Fund, it is expected to show a commitment to its stakeholders, including customers, employees, suppliers, shareholders and regulators. The Fund selects companies whose businesses demonstrate good governance and aim to treat stakeholders equitably.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data and reports.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage:

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of investments in equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of investments in equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets ex China 10/40 (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability -Related Disclosures" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least:

  – 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

  – 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries, is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

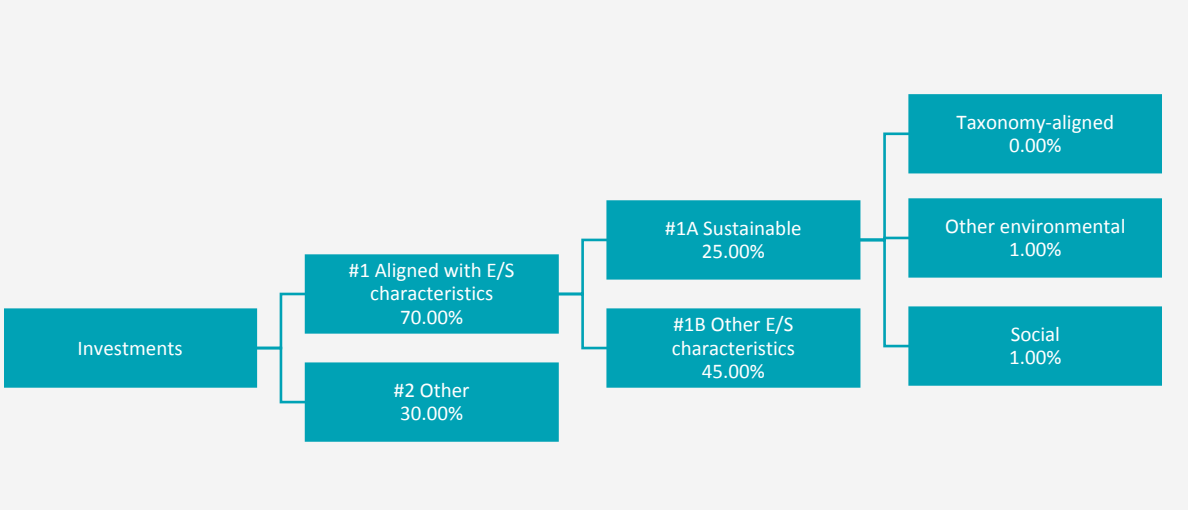
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI Emerging Markets ex China 10/40 (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

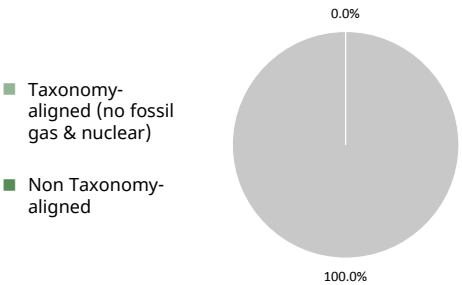
☐ In fossil gas ☐ In nuclear energy

☑ No

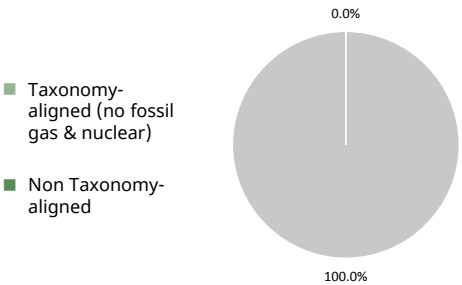
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Emerging Markets Debt Total Return

Legal entity identifier: TLC5LFN105XXSK6FZ338

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **0.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☑ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the 50% JPM GBI-EM Diversified Index and 50% JPM EMBI Diversified Index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the 50% JPM GBI-EM Diversified Index and 50% JPM EMBI Diversified Index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the 50% JPM GBI-EM Diversified Index and 50% JPM EMBI Diversified Index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

This question is not applicable for the Fund.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

This question is not applicable for the Fund.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

This question is not applicable for the Fund.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

This question is not applicable for the Fund.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement.
PAIs are considered as part of pre-investment through the application of exclusions. These include: Schroders firmwide exclusions regarding:
- Controversial weapons: PAI 14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAI data is less meaningful in the context of an emerging markets sovereign focused strategy, as currently there is limited PAI data available. Over time we anticipate that this data will improve which will allow us to further assess the consideration of PAIs.
However, as part of the investment process, a Schroders' proprietary tool is used which incorporates some of the PAIs as part of its scoring methodology. The combination of the Investment Manager's fundamental and quantitative analysis helps to provide a comprehensive view on ESG factors at a regional and country level. This pertains to PAIs related to greenhouse gas emissions (PAIs 1, 2, 3, 4, 5 and 15), PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water) and PAI 9 (Hazardous waste and radioactive waste ratio).
PAIs are also considered post-investment through engagement. The Investment Manager may engage with selected issuers held in the Fund, with a primary focus on sovereign engagements relating to PAIs 1, 2, 3, 4, 5, 7, 8, 9 and 15. The Investment Manager uses a Schroders' proprietary tool and data from external data providers in order to identify, assess and monitor environmental topics for engagement. Further topics for engagement may

include a government's social agenda, social inequality and education spending which relate to PAI 12 (Unadjusted gender pay gap), PAI 13 (Board gender diversity) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities, currencies and Money Market Investments in emerging markets. The fixed and floating rate securities are issued by governments, government agencies, supra-nationals and companies. The Fund may also hold cash.

In exceptional circumstances during periods of high market volatility, the Fund may hold up to 40% of its assets in deposits and Money Market Investments in developed markets. In such instances, the two-thirds referenced above will be measured against the Fund's assets excluding deposits and Money Market Investments in developed markets.

The Fund may invest in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Fund may invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds and warrants.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than 50% JPM GBI-EM Diversified Index and 50% JPM EMBI Diversified Index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Sustainability factors are assessed across both sovereign markets and credit allocation decisions.

The Investment Manager assesses sovereign issuers across a range of environmental, social and governance factors, via the use of Schroders' proprietary sustainability tools which ranks countries by measuring their performance against multiple sustainability-related indicators. In addition, the Investment Manager conducts qualitative analysis, which includes the use of information published by sovereigns and third party data, on ESG factors at a regional and country level to further enhance oversight and understanding. Countries that score below a predetermined threshold, determined by Schroders' proprietary sustainability tools and the analysis undertaken by the Investment Manager, will generally be excluded.

Corporate issuers are also assessed across a range of environmental, social and governance factors. The primary sources of information used to perform corporate analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the issuers, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the 50% JPM GBI-EM Diversified Index and 50% JPM EMBI Diversified Index based on the Investment Manager's rating criteria.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

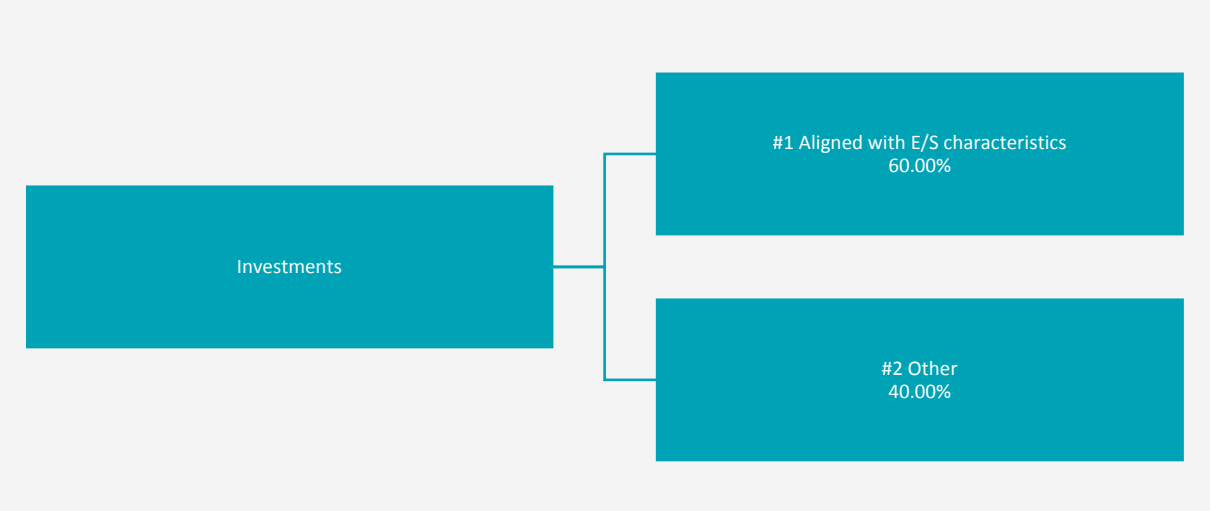
The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the 50% JPM GBI-EM Diversified Index and 50% JPM EMBI Diversified Index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders' proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

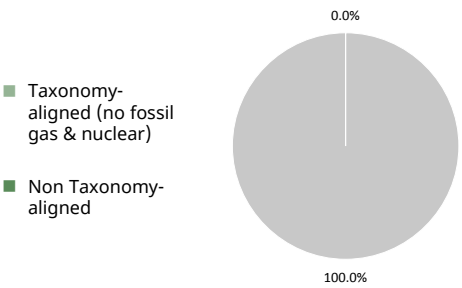
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

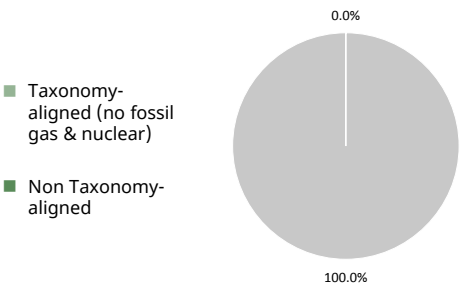
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

This question is not applicable for the Fund.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

This question is not applicable for the Fund.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Emerging Markets Equity Alpha

Legal entity identifier: 549300QYA30ZZ7L4GT17

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool. The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective(s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI Emerging Markets (Net TR) index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance

with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/oursustainable-investment-policies-disclosures-voting-reports/group-exclusions/

The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosures" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)

- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack

of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process through the bottom up stock analysis at a company level. The emerging markets investment team has a number of proprietary tools to aid ESG analysis. At the company level, Schroders proprietary tool is the main repository for the team's ESG analysis. Schroders proprietary tool provides a systematic framework for analysing a company's relationship with its stakeholders and the sustainability of its business model. It contains more than 250 metrics drawn from company reports and other sources that assess a company's performance in specific areas.

PAIs 1,2,3,9,13 are specifically considered as part of the Schroders proprietary tool analysis where appropriate and material to the business. In the case of PAI 8 and 12 the availability of data is very limited so it is not widely used within Schroders proprietary tool but monitored instead at the overall portfolio level.

All PAI indicators are monitored via Schroders PAI dashboard. We review the PAI data in the PAI dashboard regularly as part of the monthly ESG risk meeting which formally reviews portfolio level ESG characteristics.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The Investment Manager may engage with selected issuers held by the Fund on PAIs. For example, we aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2,3), procuring renewable energy (PAI 5) and further topics of engagement may include board gender diversity which relates to PAI 13.

Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in emerging and frontier market countries worldwide.

'Alpha' funds invest in companies in which the Investment Manager has a high conviction that the current share price does not reflect the future prospects for that business.

The Fund may invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The Investment Manager performs due diligence on potential holdings, including meetings with management, and assesses the company's governance, environmental and social profile across a range of factors. This process is supported by quantitative analysis provided by Schroders' proprietary sustainability tools, which are key inputs to assess how existing and potential investments for the portfolio are meeting the Fund's sustainability criteria. In some cases, companies which fall below the sustainability criteria may still be eligible for investment if, as a result of proprietary analysis and ongoing engagement with management, the Investment Manager believes the company will meet its sustainability criteria within a realistic time horizon.

For a company to be eligible to be held in the Fund, it is expected to show a commitment to its stakeholders, including customers, employees, suppliers, shareholders and regulators. The Fund selects companies whose businesses demonstrate good governance and aim to treat stakeholders equitably.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data and reports.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal . The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability -Related Disclosures" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least:

  – 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

  – 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries, is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

relations, remuneration of staff and tax compliance.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

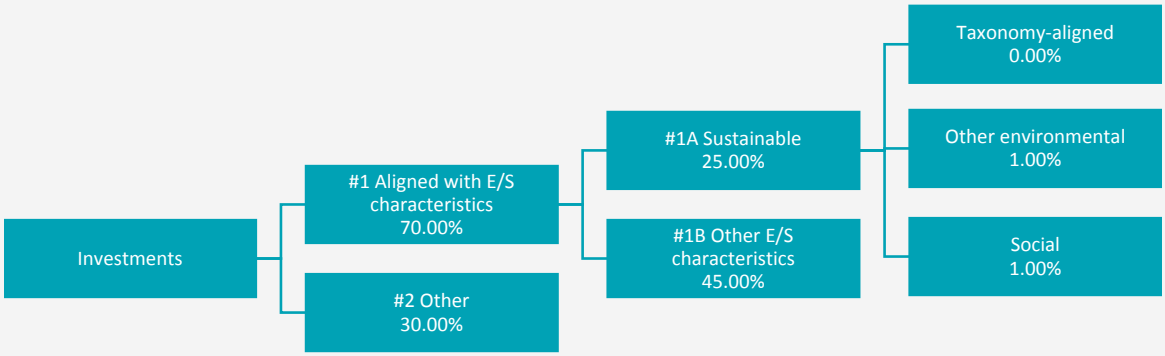
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as measured by Schroders' proprietary tool and/or (ii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

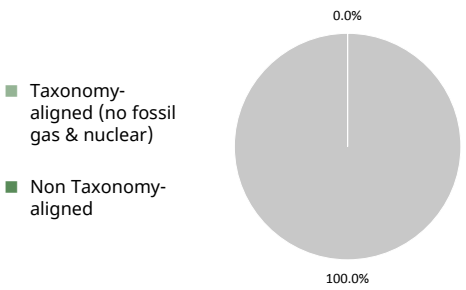
☑ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

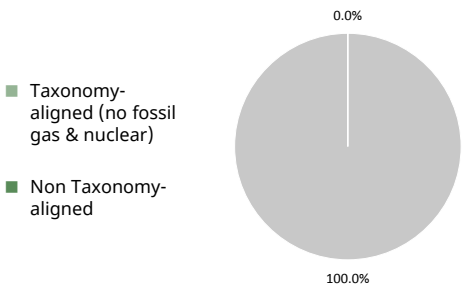
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage
https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Emerging Markets Hard Currency

Legal entity identifier: BQ06LZ4B1MG3TDTW7G43

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **__%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☑ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the JP Morgan EMBI Global Diversified index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the JP Morgan EMBI Global Diversified index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the JP Morgan EMBI Global Diversified index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

This question is not applicable for the Fund.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

This question is not applicable for the Fund.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

This question is not applicable for the Fund.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

This question is not applicable for the Fund.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2), procuring renewable energy (PAI 5).

There tend to be fewer opportunities to engage with sovereign issuers, as opposed to corporate issuers, but nonetheless we aim to engage with sovereign and supranational issuers on a periodic basis, primarily with respect to their approach to net zero carbon strategies (relating to PAI 15, GHG intensity).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The

Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in hard currencies and issued by governments, government agencies, supra-nationals and companies from the emerging markets. Hard currency denominated securities refers to securities denominated in US Dollar, Euro, Sterling, Japanese Yen and Swiss Franc.

The Fund may invest:

– up to 20% of its assets in asset-backed securities and mortgage-backed securities;

– in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for nonrated bonds); and

– up to 20% of its assets in securities issued by companies.

The Fund may invest in mainland China through the Qualified Foreign Investor ("QFI") scheme or Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to periods of rising inflation or increases in interest rates.

Contracts for difference and total return swaps are intended to be used to gain long and short exposure on fixed and floating rate securities. The gross exposure of total return swaps and contracts for difference will not exceed 10% and is expected to remain within the range of 0% to 5% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund maintains a higher overall sustainability score than the JP Morgan EMBI Global Diversified index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Sustainability factors are assessed throughout both sovereign and credit allocation decisions.

In assessing sustainability factors for sovereign issuers, the Investment Manager considers that countries with stable and non-corrupt governments are likely to be more willing and able to service their debts, while political considerations, including the impact of social and governance factors, can influence a country's inflation and currency profile and thus have a material impact on the real value of debt. Environmental impacts – which can be more pertinent over a longer-term horizon – are also incorporated. Countries are appraised for ESG factors during both the fundamental and quantitative stages of the process. The Investment Manager's approach includes the use of Schroders' proprietary sustainability tools to rank countries by measuring their performance against multiple sustainability related indicators.

Corporate issuers are also assessed across a range of environmental, social and governance factors. The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. Issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct will generally be excluded. The primary sources of information used to perform this analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. For corporate issuers, the Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the JP Morgan EMBI Global Diversified index based on the Investment Manager's rating criteria.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

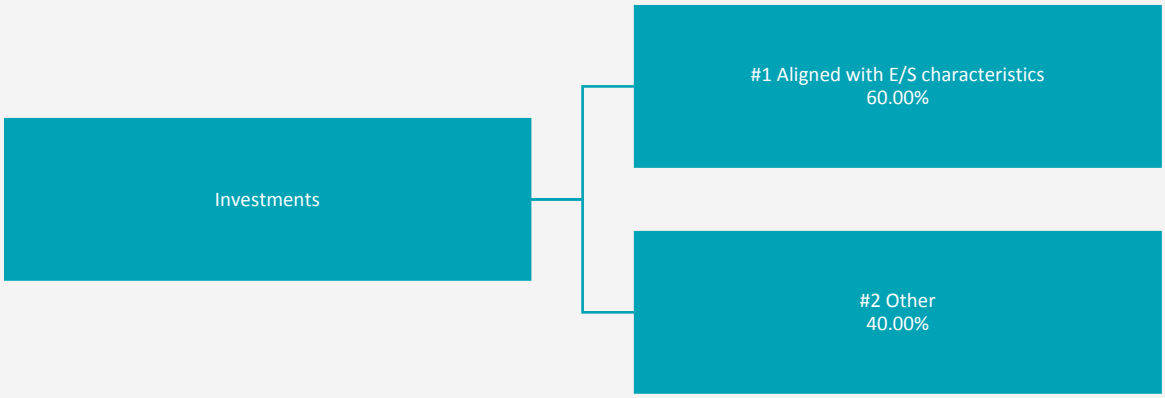
The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the **JP Morgan EMBI Global Diversified** index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

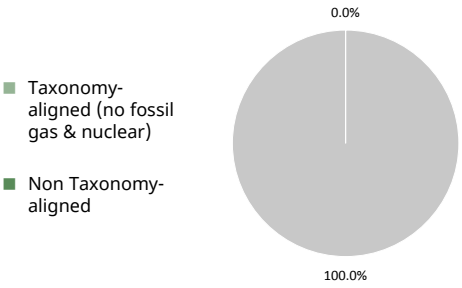
☐ In fossil gas ☐ In nuclear energy

☑ No

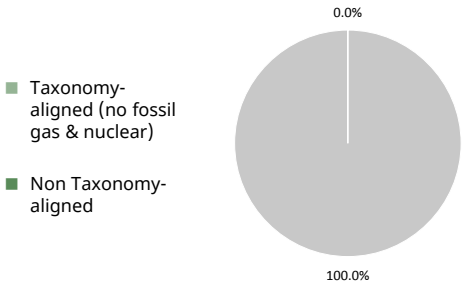
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

This question is not applicable for the Fund.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

This question is not applicable for the Fund.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

This question is not applicable for the Fund.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Emerging Markets Local Currency Bond

Legal entity identifier: 549300V3X0D0HRKP2Z47

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **0.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☑ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the JP Morgan GBI-EM Global Diversified index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the JP Morgan GBI-EM Global Diversified index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the JP Morgan GBI-EM Global Diversified index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

This question is not applicable for the Fund.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

This question is not applicable for the Fund.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

This question is not applicable for the Fund.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

This question is not applicable for the Fund.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement.
PAIs are considered as part of pre-investment through the application of exclusions. These include: Schroders firmwide exclusions regarding:
- Controversial weapons: PAI 14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAI data is less meaningful in the context of an emerging markets sovereign focused strategy, as currently there is limited PAI data available. Over time we anticipate that this data will improve which will allow us to further assess the consideration of PAIs.
However, as part of the investment process, a Schroders' proprietary tool is used which incorporates some of the PAIs as part of its scoring methodology. The combination of the Investment Manager's fundamental and quantitative analysis helps to provide a comprehensive view on ESG factors at a regional and country level. This pertains to PAIs related to greenhouse gas emissions (PAIs 1, 2, 3, 4, 5 and 15), PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water) and PAI 9 (Hazardous waste and radioactive waste ratio).
PAIs are also considered post-investment through engagement. The Investment Manager may engage with selected issuers held in the Fund, with a primary focus on sovereign engagements relating to PAIs 1, 2, 3, 4, 5, 7, 8, 9 and 15. The Investment Manager uses a Schroders' proprietary tool and data from external data providers in order to identify, assess and monitor environmental topics for engagement. Further topics for engagement may

include a government's social agenda, social inequality and education spending which relate to PAI 12 (Unadjusted gender pay gap), PAI 13 (Board gender diversity) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in local currencies issued by governments, government agencies, supra-nationals and companies in emerging markets.

The Fund may invest in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for nonrated bonds).

The Fund may invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the JP Morgan GBI-EM Global Diversified index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Sustainability factors are assessed across both sovereign markets and credit allocation decisions.

The Investment Manager assesses sovereign issuers across a range of environmental, social and

governance factors, via the use of Schroders' proprietary sustainability tools which rank countries by measuring their performance against multiple sustainability-related indicators. In addition, the

Investment Manager conducts qualitative analysis, which includes the use of information published by sovereigns and third party data, on ESG factors at a regional and country level to further enhance oversight and understanding. Countries that score below a predetermined threshold, determined by Schroders' proprietary sustainability tools and the analysis undertaken by the Investment Manager, will generally be excluded.

Corporate issuers are also assessed across a range of environmental, social and governance factors. The primary sources of information used to perform corporate analysis are Schroders' proprietary sustainability tools, the Investment Manager's research, third-party analysis, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the issuers, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the JP Morgan GBI-EM Global Diversified index based on the Investment Manager's rating criteria.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

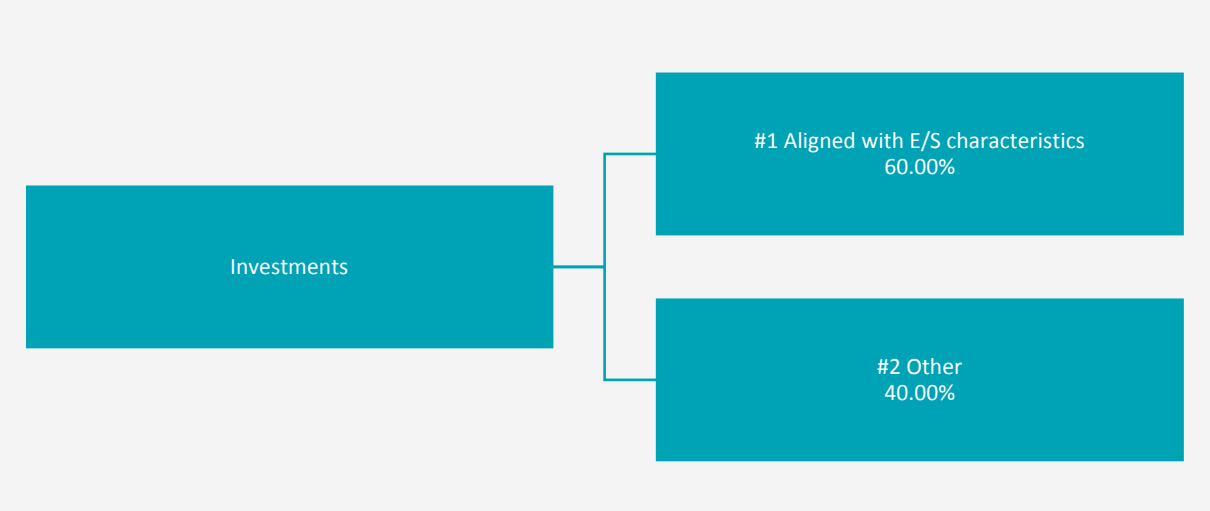
The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the JP Morgan GBI-EM Global Diversified index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders' proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

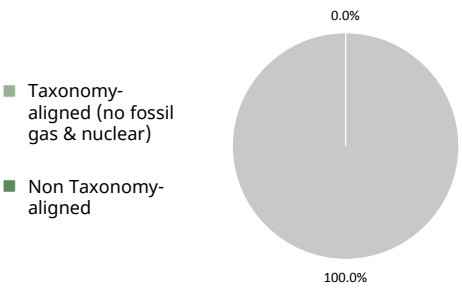
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

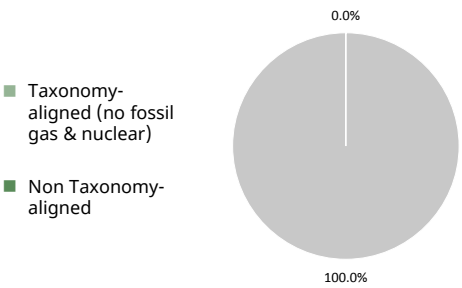
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

This question is not applicable for the Fund.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

This question is not applicable for the Fund.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund EURO Bond

Legal entity identifier: 61XW5S6PT0DGAORX3X38

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Bloomberg EURO Aggregate index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Bloomberg EURO Aggregate index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Bloomberg EURO Aggregate index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is

monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay, and reducing environmental and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders' PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include Schroders firmwide corporate exclusions regarding:

- Controversial weapons: PAI 14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
  Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
  PAIs are also considered through integration in the investment process. All PAI indicators are monitored via Schroders PAI dashboard.
  Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing a corporate issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included, for example.
  The attractiveness of a particular sovereign issuer as an investment for the portfolio is based on its ability to pay its bondholders over the long term, so as part of our process we consider the materiality of PAIs 15 (GHG intensity) and 16 (investee countries subject to social violations) as to whether we should regard these as areas of potential concern.
  PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.
  The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4, for example. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).
  There tend to be fewer opportunities to engage with sovereign issuers, as opposed to corporate issuers, but nonetheless we aim to engage with sovereign and supranational issuers on a periodic basis, primarily with respect to their approach to net zero carbon strategies (relating to PAI 15, GHG intensity).
  Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves.
  The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in Euro issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund may invest up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds). The Fund may invest up to 10% of its assets in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Bloomberg EURO Aggregate index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Sustainability factors are assessed – across both sovereign markets and credit allocation decisions – in tandem with macroeconomic factors throughout the Investment Manager's top-down thematic investment process.

In assessing sustainability factors for sovereign issuers, the Investment Manager considers that countries with stable and non-corrupt governments are likely to be more willing and able to service their debts, while political considerations, including the impact of social and governance factors, can influence a country's inflation and currency profile and thus have a material impact on the real value of debt. Environmental impacts – which can be more pertinent over a longer-term horizon – are also incorporated. The Investment Manager's approach includes the use of Schroders' proprietary sustainability tools to rank countries by measuring their performance against multiple sustainability related indicators.

Credit selection decisions are delegated to the Investment Manager's specialist credit investment teams, who aim to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

– The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct.

– The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The primary sources of information used to perform this analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. For corporate issuers, the Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Bloomberg EURO Aggregate index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

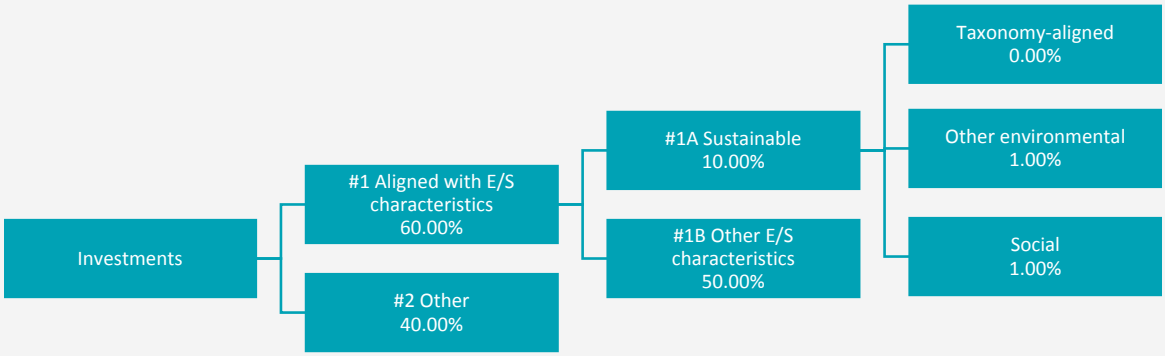
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the Bloomberg EURO Aggregate index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

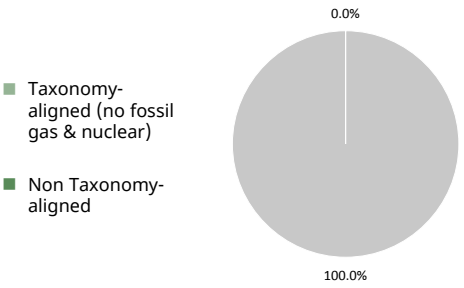
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

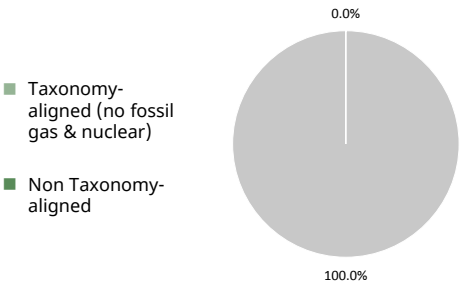
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund EURO Corporate Bond

Legal entity identifier: 4EKHGXD69UZIZADPEK36

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the ICE BofA Euro Corporate index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is

monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included. All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in or hedged to Euro issued by companies and other non-sovereign bond issuers, governments, government agencies, supra-nationals and companies worldwide.

The Fund may invest:

– up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);

– up to 20% of its assets in sovereign government bonds;

– up to 20% of its assets in asset-backed securities and mortgage-backed securities; and

– up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

– The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct.

– The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with

companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

– 75% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the ICE BofA Euro Corporate index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

– 75% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

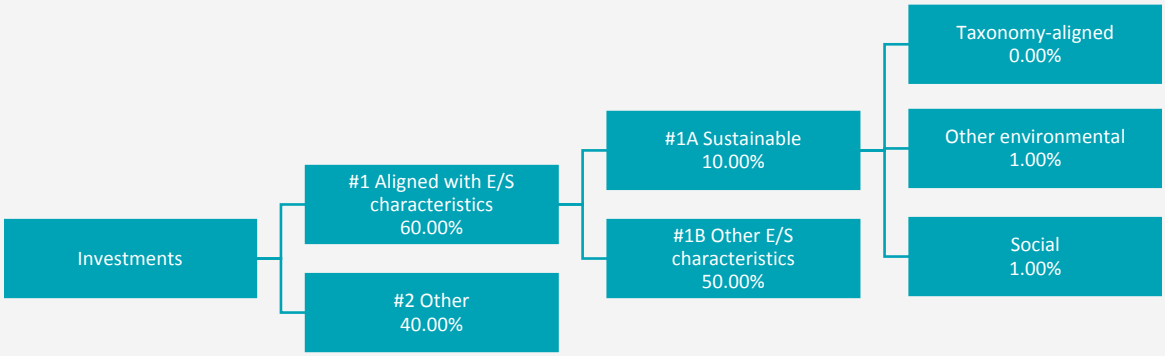
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the ICE BofA Euro Corporate index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

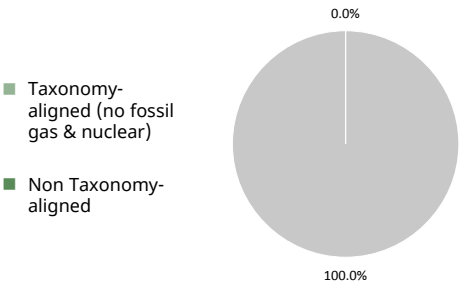
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

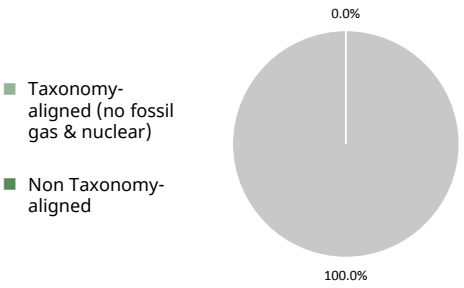
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund EURO Credit Conviction

Legal entity identifier: 549300JJL34Z2HKTT336

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the iBoxx EUR Corporates BBB (TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the iBoxx EUR Corporates BBB (TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the iBoxx EUR Corporates BBB (TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is

monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included. All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in Euro issued by governments, government agencies, supra-nationals and companies, worldwide.

The Fund may invest:

– up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);

– up to 20% of its assets in sovereign government bonds;

– up to 20% of its assets in asset-backed securities and mortgage-backed securities; and

– up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds.

The Fund may also invest up one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may also invest in derivatives to create long and short exposure to the underlying assets of these derivatives.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the iBoxx EUR Corporates BBB (TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

– The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct.

– The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

– 75% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the iBoxx EUR Corporates BBB (TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

– 75% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

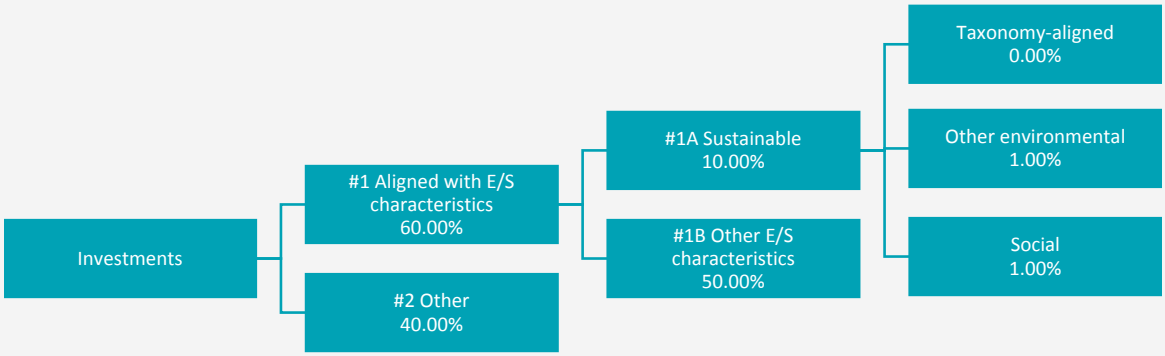
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the iBoxx EUR Corporates BBB (TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

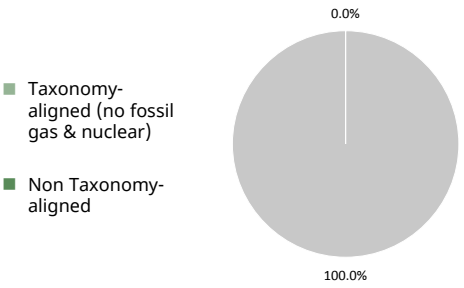
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

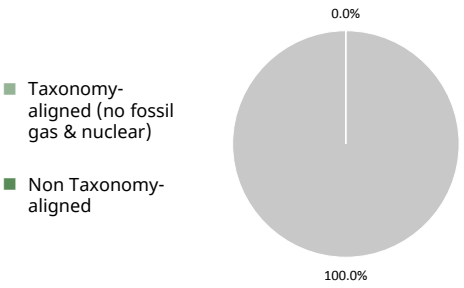
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund EURO Credit Conviction Short Duration

Legal entity identifier: 549300GRJ5K0KUG41F58

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the ICE BofA 1-5 Year BBB Euro Corporate total return index, based on the Investment Manager's rating criteria. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the ICE BofA 1-5 Year BBB Euro Corporate total return index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the ICE BofA 1-5 Year BBB Euro Corporate total return index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/oursustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included. All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets, long (directly or indirectly through derivatives) or short (through derivatives), in fixed and floating rate securities denominated in Euro issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund may invest:

– up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);

– up to 20% of its assets in sovereign government bonds;

– up to 40% of its assets in asset-backed securities and mortgage-backed securities; and

– up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds.

The Fund may invest in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may also invest in derivatives to create long and short exposure to the underlying assets of these derivatives. The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA 1-5 Year BBB Euro Corporate total return index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

– The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct.

– The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

– 75% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the ICE BofA 1-5 Year BBB Euro Corporate total return index, based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

– 75% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

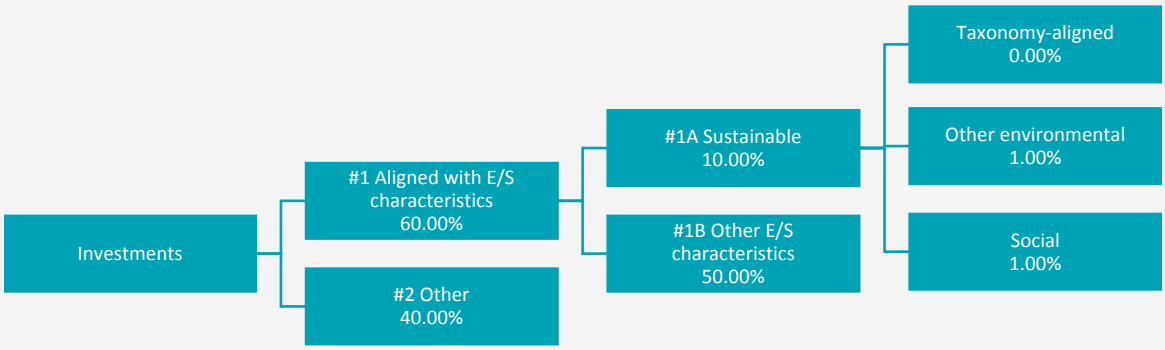
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the ICE BofA 1-5 Year BBB Euro Corporate total return index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

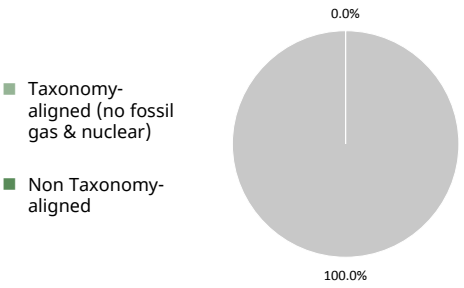
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

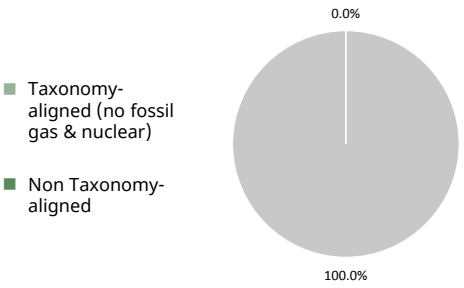
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund EURO Equity

Legal entity identifier: 3YYOQS43D8251JTKU860

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI European Monetary Union (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI European Monetary Union (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI European Monetary Union (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes. The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance

mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As part of the issuer level due diligence process, via company analysis from meetings with management teams and on desk analysis of annual reports and statements, several PAIs are considered. These are considered alongside PAIs from Schroders' proprietary tool which incorporates several PAIs as a component of its scoring methodology.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. Engagements may cover a range of topics, including human rights in the consumer staples sector and climate and net zero commitments. These engagements relate to PAIs 16 (Social Violations) and 1, 2, 3 and 5 (GHG emissions, Carbon Footprint, GHG intensity of investee company and Share of non-renewable energy consumption and production).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least 75% of its assets in equity and equity related securities of companies that are incorporated in the European Economic Area. The Fund invests at least two-thirds of its assets in equity and equity related securities of companies in countries whose currency is the Euro.

The Fund may also invest up one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than MSCI European Monetary Union (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Companies in the investment universe are assessed on their governance, environmental and social profile, across a range of factors. This analysis is supported by quantitative analysis gained from Schroders in-house ESG data tools. The Investment Manager assesses a company's environment and social impact, as well as governance practices, using proprietary sustainability tools. In addition, the Investment Manager also performs its own research and analysis before deciding whether a company is eligible for inclusion in the Fund, based on its overall sustainability profile. Proprietary tools will be key inputs to measure how companies in the portfolio are meeting the sustainability credentials outlined above.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI European Monetary Union (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI European Monetary Union (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

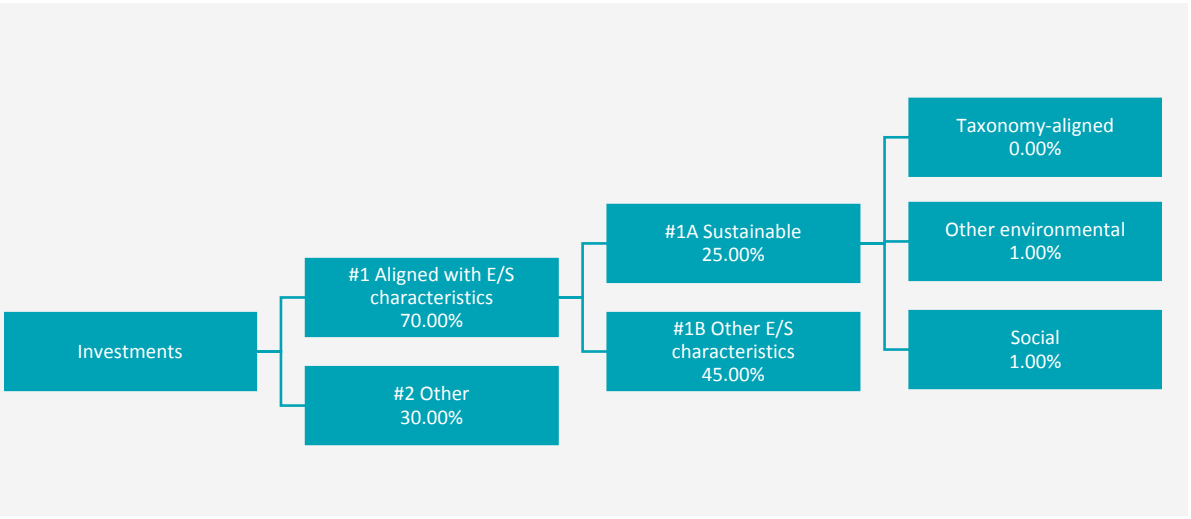
The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an

environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

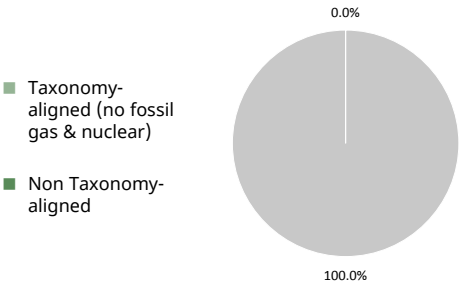
☐ In fossil gas ☐ In nuclear energy

☑ No

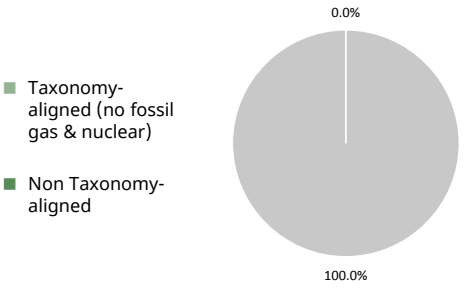
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund EURO Government Bond

Legal entity identifier: GQO6F0370CMTJBILPZ30

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Government index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective(s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the ICE BofA Euro Government index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the ICE BofA Euro Government index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is

monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders' PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. The nature of this Fund is such that it does not meaningfully invest in corporate bonds and hence in practice such corporate exclusions are less important than for other Funds. Nonetheless, those formally applied include Schroders firmwide corporate exclusions regarding:

- Controversial weapons: PAI 14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework. PAIs are also considered through integration in the investment process. All PAI indicators are monitored via Schroders PAI dashboard.

Schroders' proprietary tool incorporates PAIs as a component of its scoring methodology. The attractiveness of a particular sovereign issuer as an investment for the portfolio is based on its ability to pay its bondholders over the long term, so as part of our process we consider the materiality of PAIs 15 (GHG intensity) and 16 (investee countries subject to social violations) as to whether we should regard these as areas of potential concern.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

There tend to be fewer opportunities to engage with sovereign issuers, as opposed to corporate issuers (in which this Fund does not meaningfully invest), but nonetheless we aim to engage with sovereign and supranational issuers on a periodic basis, primarily with respect to their approach to net zero carbon strategies (relating to PAI 15, GHG intensity).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities with an investment grade or, directly or indirectly (including via credit default swaps and credit default swap indices), with a sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) issued or guaranteed by European governments, agencies or supra-national institutions of European countries denominated in, or hedged to Euro.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro Government index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Sustainability factors are assessed – across both sovereign markets and credit allocation decisions – in tandem with macroeconomic factors throughout the Investment Manager's top-down thematic investment process.

In assessing sustainability factors for sovereign issuers, the Investment Manager considers that countries with stable and non-corrupt governments are likely to be more willing and able to service their debts, while political considerations, including the impact of social and governance factors, can influence a country's inflation and currency profile and thus have a material impact on the real value of debt. Environmental impacts – which can be more pertinent over a longer-term horizon – are also incorporated. The Investment Manager's approach includes the use of Schroders' proprietary sustainability tools to rank countries by measuring their performance against multiple sustainability related indicators.

Credit selection decisions are delegated to the Investment Manager's specialist credit investment teams, who aim to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

- The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct.
- The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The primary sources of information used to perform this analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. For corporate issuers, the Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the ICE BofA Euro Government index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the ICE BofA Euro Government index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

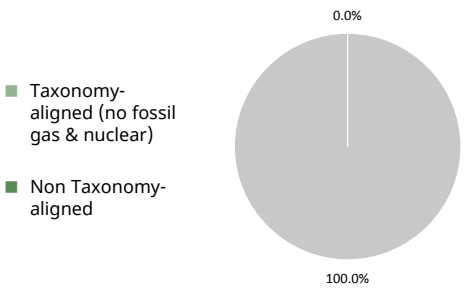
☑ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

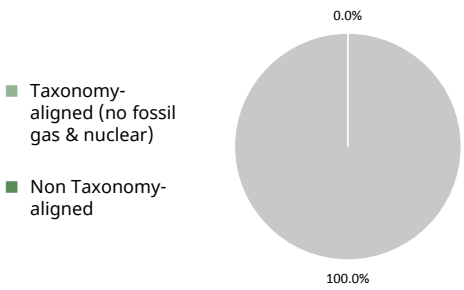
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes . #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund EURO High Yield

Legal entity identifier: FDQ3U0BX0ZTSLH0GBR19

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability criteria than the ICE BofA Euro High Yield Constrained index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the ICE BofA Euro High Yield Constrained index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the ICE BofA Euro High Yield Constrained index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is

monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included. All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2), procuring renewable energy (PAI 5).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in EUR issued by governments, government agencies, supra-nationals and companies worldwide. The Fund also invests at least two-thirds of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in sub investment grade fixed and floating rate securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Fund may invest up to 15% of its assets in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may also invest in derivatives to create long and short exposure to the underlying assets of these derivatives.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Euro High Yield Constrained index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

– The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct.

– The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

– 75% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the ICE BofA Euro High Yield Constrained index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

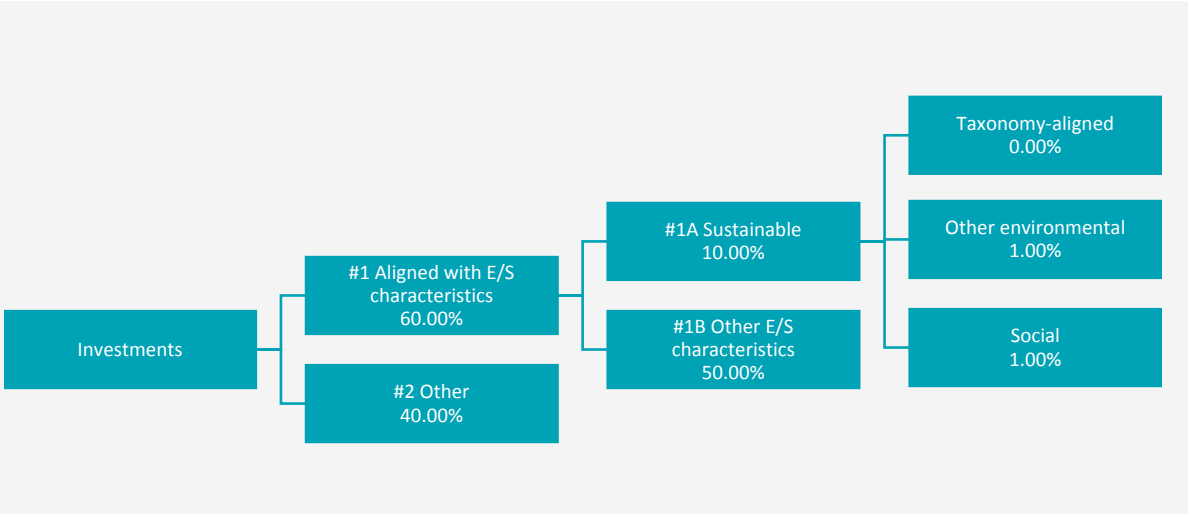
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the ICE BofA Euro High Yield Constrained index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

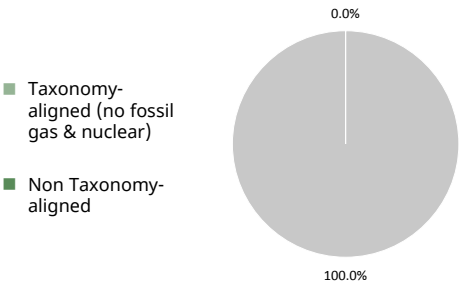
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

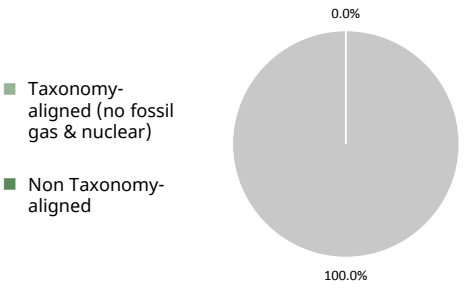
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund EURO Short Term Bond

Legal entity identifier: LKIIDMHWTJNCPJTJ3M14

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Bloomberg Euro Aggregate (1-3 Y) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Bloomberg Euro Aggregate (1-3 Y) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Bloomberg Euro Aggregate (1-3 Y) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is

monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders' PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include Schroders firmwide corporate exclusions regarding:

- Controversial weapons: PAI 14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. All PAI indicators are monitored via Schroders PAI dashboard.

Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing a corporate issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included, for example.

The attractiveness of a particular sovereign issuer as an investment for the portfolio is based on its ability to pay its bondholders over the long term, so as part of our process we consider the materiality of PAIs 15 (GHG intensity) and 16 (investee countries subject to social violations) as to whether we should regard these as areas of potential concern.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4, for example. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5). There tend to be fewer opportunities to engage with sovereign issuers, as opposed to corporate issuers, but nonetheless we aim to engage with sovereign and supranational issuers on a periodic basis, primarily with respect to their approach to net zero carbon strategies (relating to PAI 15, GHG intensity).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in short term fixed and floating rate securities with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) denominated in Euro, issued by governments, government agencies, supra-nationals and companies worldwide.

The average duration of the securities held by the Fund does not exceed 3 years and the effective maturity of any such security does not exceed 5 years.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Bloomberg Euro Aggregate (1-3 Y) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Sustainability factors are assessed – across both sovereign markets and credit allocation decisions – in tandem with macroeconomic factors throughout the Investment Manager's top-down thematic investment process.

In assessing sustainability factors for sovereign issuers, the Investment Manager considers that countries with stable and non-corrupt governments are likely to be more willing and able to service their debts, while political considerations, including the impact of social and governance factors, can influence a country's inflation and currency profile and thus have a material impact on the real value of debt. Environmental impacts – which can be more pertinent over a longer-term horizon – are also incorporated. The Investment Manager's approach includes the use of Schroders' proprietary sustainability tools to rank countries by measuring their performance against multiple sustainability related indicators.

Credit selection decisions are delegated to the Investment Manager's specialist credit investment teams, who aim to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

- The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct.
- The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to industry peers.

The primary sources of information used to perform this analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. For corporate issuers, the Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Bloomberg Euro Aggregate (1-3 Y) index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

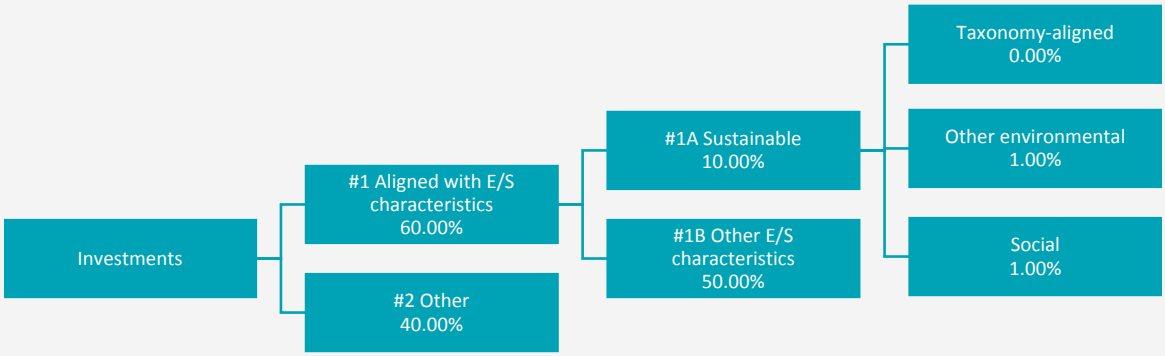
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the Bloomberg Euro Aggregate (1-3 Y) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

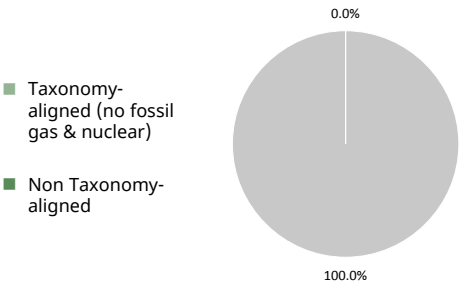
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

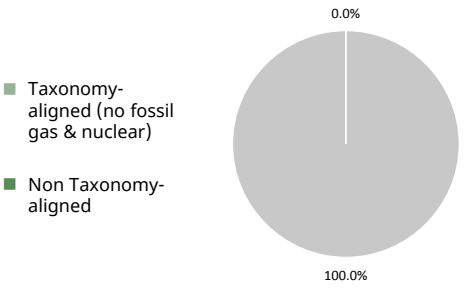
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund European Dividend Maximiser

Legal entity identifier: 5G167LY8W47ZFOL7Z717

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good Governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI Europe (Net TR) Index, based on the Investment Manager's rating system. It also maintains a carbon intensity below that of the MSCI Europe (Net TR) Index, based on the Weighted Average Carbon Intensity (WACI). This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The carbon intensity is a measure of the portfolio's exposure to carbon-intensive companies. It is expressed as the carbon emissions per million dollars of revenue and displayed as metric tons CO2e / $M revenue. The carbon intensity is measured using data from a third party provider. Where a data point is not available, the provider may make use of estimated data.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or objective(s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI Europe (Net TR) Index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI Europe (Net TR) Index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

The Investment Manager monitors compliance with the characteristic to maintain a carbon intensity below that of the MSCI Europe (Net TR) Index, by reference to the Weighted Average Carbon Intensity (WACI) in metric tons CO2e / $M revenue based on quarterly holdings using data from a third party provider.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

All PAI indicators are monitored via Schroders PAI dashboard. PAIs 12 (Unadjusted gender pay gap) and 13 (Board gender diversity) are considered using data from our internal Schroders' proprietary tool.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on a range of PAIs e.g. we aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2). As part of Schroders' central climate priorities list, we engage with investee companies within our universe to understand how companies are responding to the challenges climate change may pose to their long-term financial position. In reference to PAI 1, 2, 3, 7 & voluntary PAI 1, we are continuing our efforts to encourage companies to set clear emissions reduction targets for all three scopes of emissions and where targets are already set, to ensure these targets are properly integrated into company remuneration policies where it is material. We also continue to encourage companies to eliminate commodity-driven deforestation activities by 2025 and participate in the Schroders' wide deforestation engagement initiative where a holding of ours is flagged as at risk.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two thirds of its assets in equities or equity related securities of European companies, which are selected for their income and capital growth potential. To enhance the yield of the Fund, the Investment Manager selectively sells short dated call options over individual securities held by the Fund, generating extra income by agreeing strike prices above which potential capital growth is sold.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Europe (Net TR) index, based on the Investment Manager's rating system. It also maintains a carbon intensity below that of the MSCI Europe (Net TR) index.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Companies in the investment universe are assessed on their governance, environmental and social profile, across a range of factors. This analysis is supported by quantitative analysis gained from Schroders in-house ESG data tools. The Investment Manager assesses a company's environment and social impact, as well as governance practices, using proprietary sustainability tools. In addition, the Investment Manager also performs its own research and analysis before deciding whether a company is eligible for inclusion in the Fund, based on its overall sustainability profile. Proprietary tools will be key inputs to measure how companies in the portfolio are meeting the sustainability credentials outlined above.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

Companies in the investment universe are subject to analysis related to their individual total scope 1 & 2 carbon emissions. The sources of information used to perform the analysis include Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI Europe (Net TR) Index based on the Investment Manager's rating criteria. It also maintains a carbon intensity below that of the MSCI Europe (Net TR) Index, based on the Weighted Average Carbon Intensity (WACI).
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

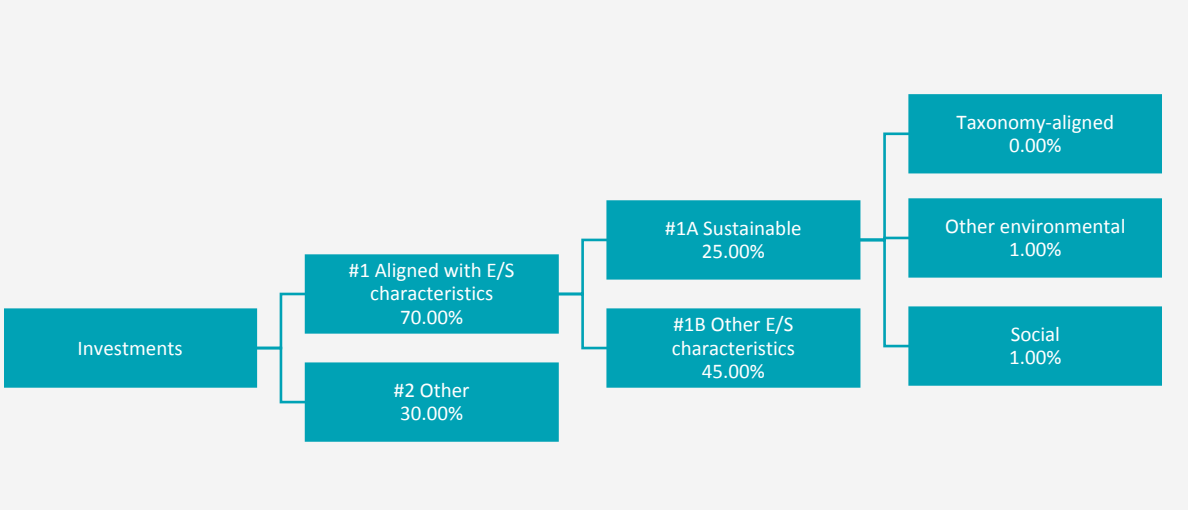
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI Europe (Net TR) Index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). However, the Fund's use of covered call options for income generation purposes do not contribute towards the Fund's sustainability score.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

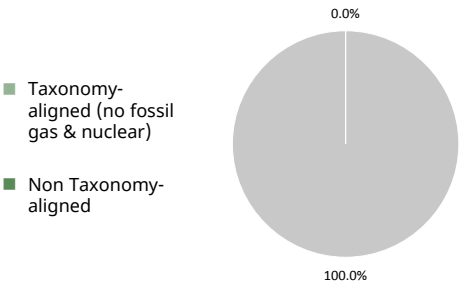
☐ In fossil gas ☐ In nuclear energy

☑ No

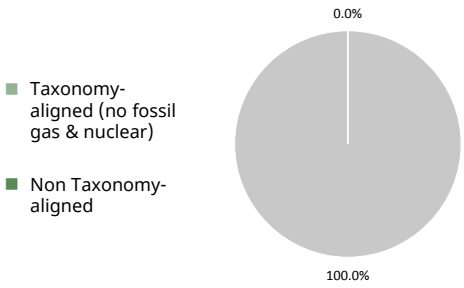
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund European Smaller Companies

Legal entity identifier: 1J9TCPI0PE5175IZP193

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI Europe Small Cap (NDR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI Europe Small Cap (NDR) index by reference to the weighted average sustainability score of the Fund in Schroder'' proprietary tool compared against the weighted average sustainability score of the MSCI Europe Small Cap (NDR) index in Schroder'' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroder'' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroder's proprietary tool and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroder'' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production.

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As part of the issuer level due diligence process, via company analysis from meetings with management teams and on desk analysis of annual reports and statements, several PAIs are considered. These are considered alongside PAIs from Schroders' proprietary tool which incorporates several PAIs as a component of its scoring methodology.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. Engagements may cover a range of topics, including biodiversity issues in the energy sector and climate and net zero commitments for held companies within the chemicals sector. These engagements relate to PAIs 7 (Negatively affecting biodiversity-sensitive areas) and 1, 2, 3 and 5 (GHG emissions, Carbon Footprint, GHG intensity of investee company and Share of non-renewable energy consumption and production).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small sized European companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the European equities market.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Europe Small Cap (NDR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Companies in the investment universe are assessed on their governance, environmental and social profile. The Investment Manager performs due diligence on potential holdings and this can include meetings with company management. The Investment Manager aims to identify the impact a business has on society whilst assessing relationships with key stakeholders such as employees, suppliers and regulators. This research is supported by quantitative analysis gained from Schroders' proprietary sustainability tools which are key inputs to assessing how existing and potential investments are meeting the Fund's sustainability criteria.

The sources of information used to perform the analysis include information provided by the

companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with

companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI Europe Small Cap (NDR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

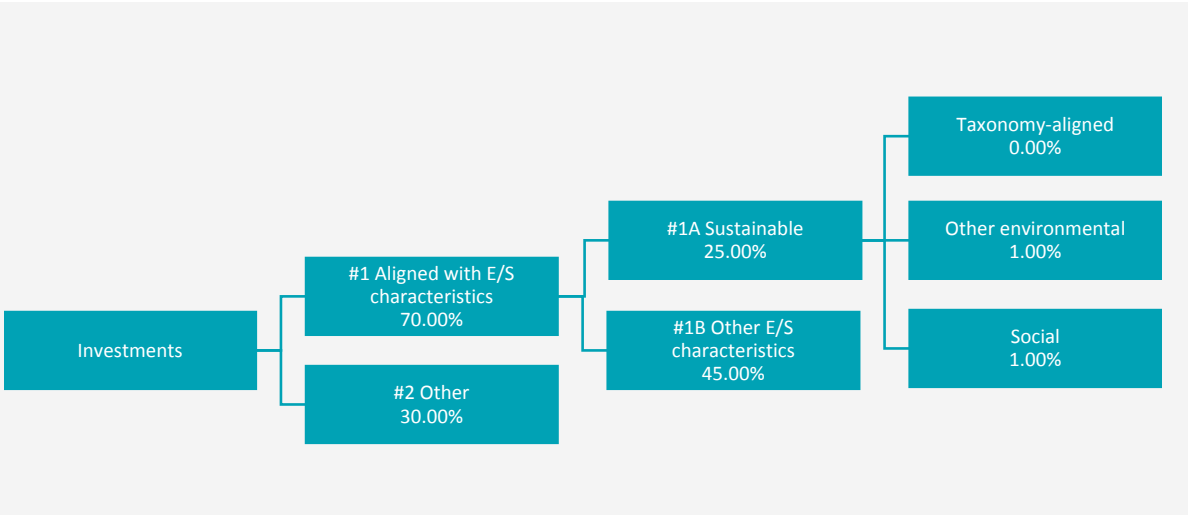
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI Europe Small Cap (NDR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

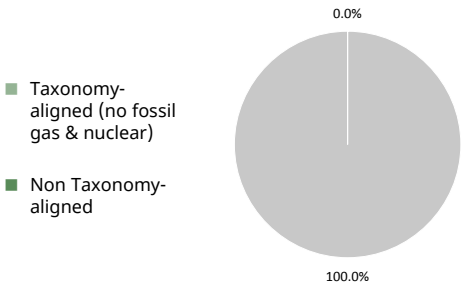
☐ In fossil gas ☐ In nuclear energy

☑ No

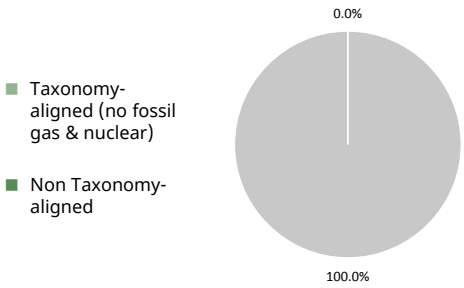
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund European Special Situations

Legal entity identifier: KV1VJCZ9TY7EN2E4WH87

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI Europe Net TR index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI Europe Net TR index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI Europe Net TR index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage, https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As part of the issuer level due diligence process, via company analysis from meetings with management teams and on desk analysis of annual reports and statements, several PAIs are considered. These are considered alongside PAIs from Schroders' proprietary tool which incorporates several PAIs as a component of its scoring methodology.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. Engagements may cover a range of topics, including human rights in the energy sector, and climate and net zero commitments for held companies within the technology sector. These engagements relate to PAIs 16 (Social Violations) and 1, 2, 3 and 5 (GHG emissions, Carbon Footprint, GHG intensity of investee company and Share of non-renewable energy consumption and production).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests in a select portfolio of securities in special situations, where the Investment Manager believes a special situation to be a company whose future prospects are not fully reflected in its valuation.

The Fund maintains a higher overall sustainability score than MSCI Europe Net TR index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

Companies held by the Fund are expected to show a commitment to their stakeholders, including customers, employees, suppliers and regulators. The Fund invests in those companies which consider stakeholders fairly and have good governance.

Companies in the investment universe are assessed on their governance, environmental and social profile, across a range of factors. The Investment Manager performs its own due diligence on all potential holdings including, where possible, meetings with senior management.

This analysis is supported by quantitative analysis gained from Schroders' proprietary sustainability tools. Such are key inputs to measure how companies in the portfolio are meeting the sustainability credentials outlined above.

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

90% of the portion of the NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

75% of the portion of the NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI Europe Net TR index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

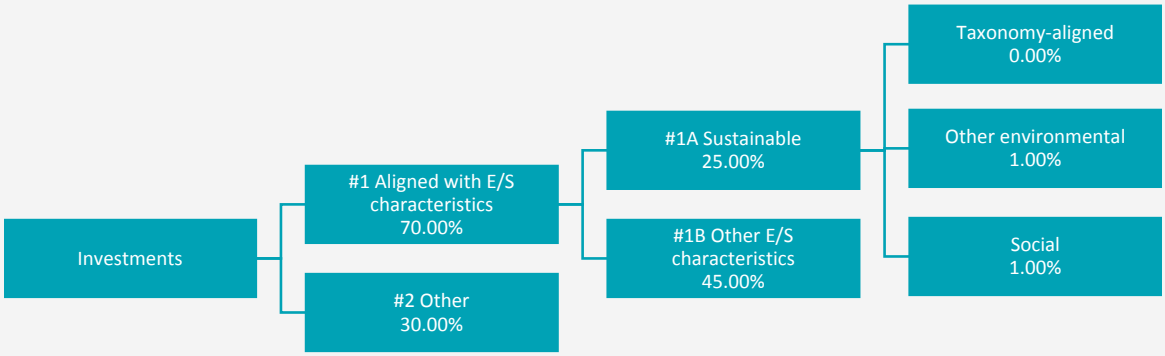
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI Europe Net TR index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. . #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately

disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

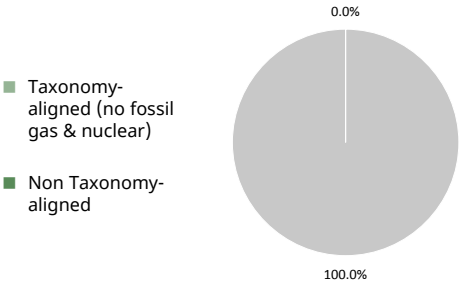
☐ In fossil gas ☐ In nuclear energy

☑ No

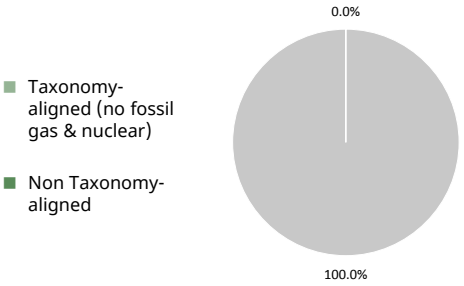
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes, such as . #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund European Sustainable Equity

Legal entity identifier: 5493009GLO7HFGVW9C92

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **50.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI Europe (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 50% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI Europe (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI Europe (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 50% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.
- The Fund may also apply certain other exclusions.

Further information on all of the Fund's exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)

- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As part of the issuer level due diligence process, via company analysis from meetings with management teams and on desk analysis of annual reports and statements, several PAIs are considered. These are considered alongside PAIs from Schroders' proprietary tool which incorporates several PAIs as a component of its scoring methodology.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. Engagements may cover a range of topics, including human rights in the consumer discretionary sector and climate and net zero commitments for held companies within the financials sector. These engagements relate to PAIs 16 (Social Violations) and 1, 2, 3 and 5 (GHG emissions, Carbon Footprint, GHG intensity of investee company and Share of non-renewable energy consumption and production).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of European companies.

The Fund maintains a higher overall sustainability score than MSCI Europe (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

Companies in the investment universe are assessed on their governance, environmental and social profile, across a range of factors. This analysis is supported by quantitative analysis gained from Schroders' proprietary sustainability tools.

The Investment Manager assesses a company's environment and social impact, as well as governance practices, using proprietary sustainability tools.

In addition, the Investment Manager also performs its own research and analysis before deciding whether a company is eligible for inclusion in the Fund, based on its overall sustainability profile.

Proprietary tools will be key inputs to measure how companies in the portfolio are meeting the sustainability credentials outlined above.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of European companies.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI Europe (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 50% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Any such exception cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

As a result of the application of the Fund's sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments. For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 80%. The Fund commits to maintain a higher overall sustainability score than the MSCI Europe (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

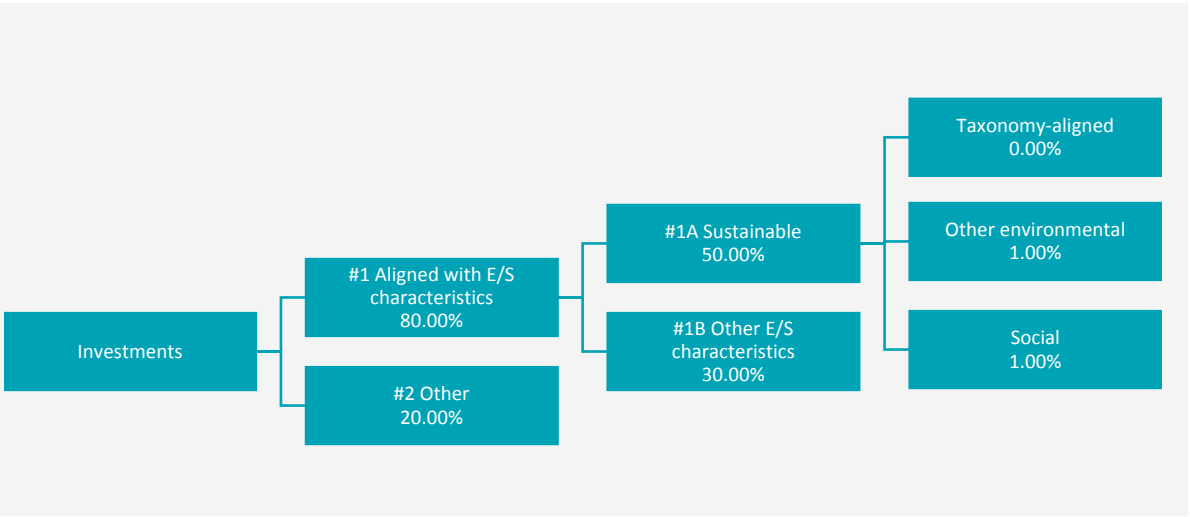
The Fund will invest at least 50% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an

environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

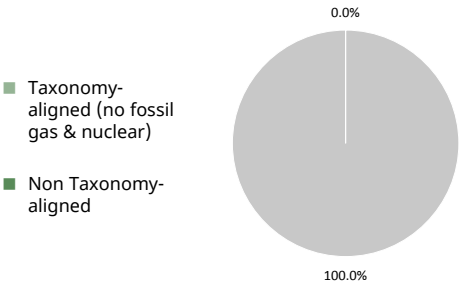
☐ In fossil gas ☐ In nuclear energy

☑ No

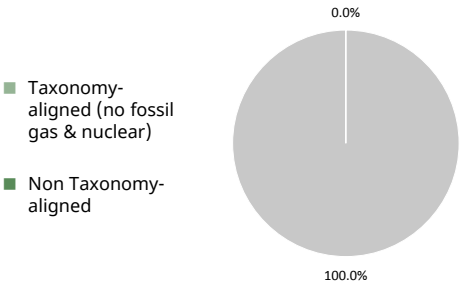
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund European Value

Legal entity identifier: QX02SBT8EFYPX13KES12

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **35.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund invests at least 35% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to invest at least 35% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/oursustainable-investment-policies-disclosures-voting-reports/group-exclusions/ The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

   - Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

     - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
     - **PAI 8** (Emissions to water)
     - **PAI 9** (Hazardous waste and radioactive waste ratio)
     - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
     - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
     - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

   - Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the

above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons, such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As part of the investment process, Schroders' proprietary tool is used which incorporates several PAIs as a component of its scoring methodology. For example, PAI 2, 3, 4, 5, 6 (Greenhouse gas emissions) and PAI 4 from Annex 1 Table 2 (Investments in companies without carbon emission reduction initiatives) are included as part of a company's overall environmental score. These PAIs, amongst others, are embedded within our investment process, informing our view on business risk and long-term growth drivers. PAI 13 (Board gender diversity) is also considered as part of our assessment of management quality and company strategy. PAI 6, PAI 4 from Annex 1 Table 2 and PAI 14 from Annex 1 Table 3 (Number of identified cases of severe human rights issues and incidents) are considered relative to industry peers and poor performance issuers on these metrics/ indicators receive higher risk scores in our assessment and form the basis of our engagement activities.

All PAI indicators are monitored via Schroders' PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in the Schroders Engagement Blueprint, which outlines our approach to active ownership.

Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in a concentrated range of equities of European companies. The Fund typically holds 30 - 70 companies.

The Fund applies a disciplined value investment approach, seeking to invest in a select portfolio of companies that the Investment Manager believes are significantly undervalued relative to their long-term earnings potential.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund invests at least 35% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The Investment Manager evaluates issuers against a range of environmental, social and governance factors in order to decide whether an issuer is eligible for the Fund's portfolio. This analysis is performed by the portfolio managers and members of the wider Schroder Global Value Team and is supported by Schroders' dedicated Sustainable Investment team. The Investment Manager uses Schroders' proprietary sustainability tools to provide a baseline assessment that contributes to the overall ESG appraisal of a company. Additionally, meetings with company management may inform the Investment Manager's view, providing further insights on corporate culture and senior management commitment to corporate social responsibility. While it is not necessary for every investment selected to exhibit positive ESG characteristics, the Investment Manager will seek to ensure that more than 35% of the portfolio by weight is invested in companies that are sustainable investments.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

- 75% of the portion of the NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund invests at least 35% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 35%.The minimum proportions stated apply in normal market conditions.

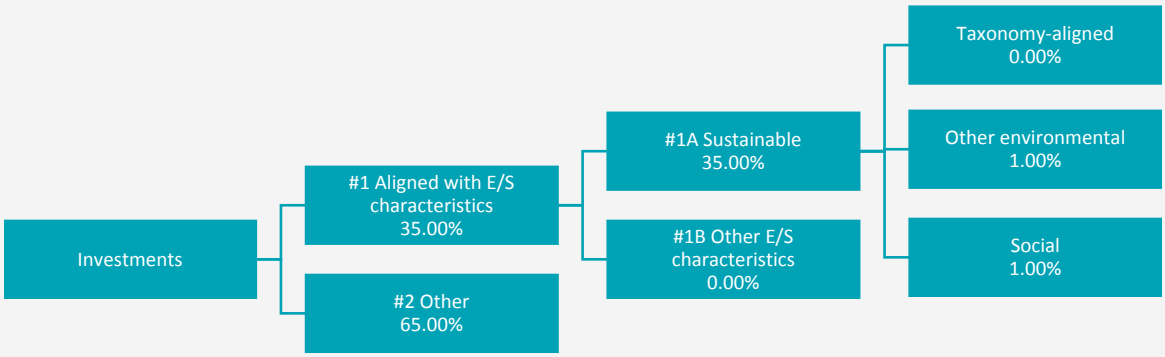
Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as measured by Schroders proprietary tool and/or (ii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment scored by Schroders' proprietary tool is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes any investments that are not aligned with the environmental or social characteristics of the Fund.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and

sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

This question is not applicable for the Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

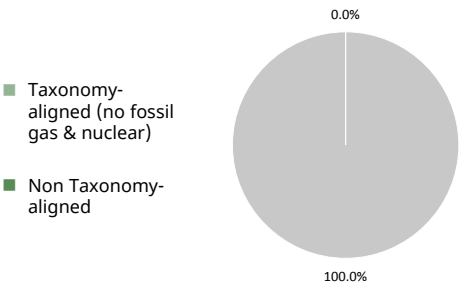
☐ In fossil gas ☐ In nuclear energy

☑ No

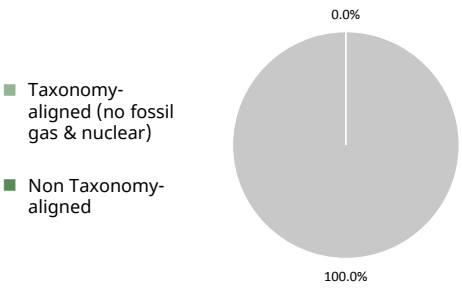
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes any investments that are not aligned with the environmental or social characteristics of the Fund.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

How does the designated index differ from a relevant broad market index?

This question is not applicable for the Fund.

Where can the methodology used for the calculation of the designated index be found?

This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Alternative Energy

Legal entity identifier: 549300IS8ME9YA6EM043

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good Governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☑ **Yes**	●○ ☐ **No**
☑ It will make a minimum of **sustainable investments with an environmental objective: 75.00%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **__%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☑ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The Fund commits to invest at least 90% of its assets in sustainable investments. Within this overall commitment, there is a minimum commitment to invest at least 75% of its assets in sustainable investments with an environmental objective.

What is the sustainable investment objective of this financial product?

The Fund's sustainable investment objective is to invest its assets in sustainable investments which are investments in companies worldwide that (i) generate at least 50% of their revenue from activities that contribute towards the global transition towards lower-carbon and more sustainable sources of energy, such as lower-carbon energy production, distribution, storage, transport and associated supply chain, material provider and technology companies or (ii) generate a lower percentage of their revenue from these activities where the Investment Manager considers they are playing critical roles in the energy transition based on the company's capital expenditure, operating expenditure or market share. At least 75% of the Fund's assets will be invested in companies of the type described in (i). The Fund may also invest in investments that the Investment Manager deems to be neutral under its sustainability criteria, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

At the date of this Prospectus, it is not yet possible to commit to the Fund maintaining a minimum alignment with the Taxonomy, as the Investment Manager is currently not in a position to accurately determine to what extent the Fund's investments are in taxonomy-aligned environmentally sustainable activities. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio. However, it is expected that the Fund invests in companies and economic activities that contribute to the environmental objectives of climate change mitigation and climate change adaptation within the meaning of the Taxonomy.

In future it is therefore expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Investment Manager is responsible for determining whether an investment meets the criteria of a sustainable investment. The Investment Manager's approach in this assessment considers whether a certain percentage of the relevant issuer's revenues, capital expenditure, operating expenditure or market share contributes to an environmental or social objective (as applicable). The output of the Investment Strategy outlined below is the production of the list of investments that meet the selection criteria, this represents the investment universe. Compliance with the minimum percentage in sustainable investments is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

The Investment Manager uses different sustainability indicators to measure the impact contribution at an investee company level. In particular, the Investment Manager use a quantitative screening tool to identify companies that derive a certain percentage of their revenues, capital expenditure, operating expenditure or market share from their main activity that is associated with specific energy transition activities: including (1) renewable energy equipment; (2) renewable energy generation; (3) transmission and distribution; (4) batteries, storage and other equipment; (5) hydrogen; (6) electrical equipment and energy; and (7) clean mobility.

Subsequently, the Investment Manager uses a number of indicators to derive a sustainability score out of ten for each company. Based on this score, each company is placed within one of the following categories: (1) Best-in-class, (2) Neutral and (3) Laggard. The indicators used to determine the score include but are not limited to metrics such as carbon intensity, board gender diversity and management remuneration. The information is drawn from company management meetings, publicly available corporate information as well as the Investment Manager's internal proprietary tools.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability -Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre .

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
The Fund's exclusions regarding:
Fossil fuels: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production). The Fund will not invest in any company directly involved in fossil fuels.
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process.
The Fund considers climate change criteria in its analysis as part of the 'environmental management' component of the stakeholder analysis. This covers greenhouse gas emissions, avoided emissions, carbon footprint and greenhouse gas intensity of investment companies: PAIs 1,2 & 3.
As part of our analysis, we consider how a firm is managing its environmental footprint (including its impact on the climate), as well as its potential exposure to the effects of long-term climate change. While no single climate change metric determines the overall assessment of a company's environmental management score, the Fund evaluates a variety of different metrics – from both internal and external data sources (including the internal a Schroders' proprietary tool) – to determine whether a company is adequately managing its climate and environmental risks.
PAIs 12 (Unadjusted gender pay gap) and 13 (Board gender diversity) are considered as part of our investment process using data from a Schroders' proprietary tool.
All PAI indicators are monitored via Schroders' PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.
The investment team aims to engage with several issuers on net zero carbon emissions targets (PAI 1,2). Through our engagement activity we seek to understand different areas, such as the speed and scale of emission reduction targets and steps being taken to meet climate goals. We are encouraging companies to set clear emissions reduction targets for all three scopes of emissions and where targets are already set, to confirm these targets are properly integrated into company remuneration policies.
Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments in companies that (a) generate at least 50% of their revenue from activities that contribute towards the global transition towards lower-carbon sources of energy, such as lower carbon energy production, distribution, storage, transport and associated supply chain, material provider and technology companies or (b) generate a lower percentage of their revenue from these activities where the Investment Manager considers they are playing critical roles in the transition based on the company's capital expenditure, operating expenditure or market share, and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Fund may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes (including delta one securities) and warrants) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre which includes companies that generate any revenue from fossil fuel and nuclear power.

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of companies worldwide. The Fund typically holds fewer than 60 companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

Companies are assessed against eight ESG criteria: (1) management quality; (2) balance sheet sustainability; (3) corporate governance; (4) regulatory risk management; (5) supply chain management; (6) customer management; (7) employee management; and (8) environmental management. The company will receive an overall score out of ten and is placed within one of the following categories based on this score:

- 'Lagging' (score of 1 – 3): Companies that show poor corporate governance, unconvincing management, weak balance sheets, poor stakeholder relations, and fail to demonstrate an awareness of ESG issues they face;
- 'Neutral' (score of 4 – 6): Companies that show adequate corporate governance, suitable management, reasonably robust balance sheets, have reasonable relationships with stakeholders and some awareness of ESG issues. These companies do not exhibit ESG risks necessarily, but at the same time are not best in class companies with the potential to maintain market leading growth;
- 'Best-in-class' (score of 7 – 10): Companies that have strong corporate governance, quality management, strong balance sheets, good relationships with stakeholders and a good awareness and management of ESG issues. These companies should be able to attract the best employees, to continue to lead the industry in terms of productivity, have strong supply chain links, acting as the 'supplier of choice' for customers, and are mindful of their environmental impact.

The Fund will generally only invest in companies that are rated as 'neutral' or 'best-in-class'.

The Investment Manager performs its own analysis of information provided by the companies, including information provided in company sustainability reports and other relevant company material. Third party research is used by the team as a secondary consideration, and generally provides a source of challenge or endorsement for their own view.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The following binding elements are applied throughout the investment process:

- The Fund invests at least 90% of its assets in sustainable investments, which are investments in companies that (i) generate at least 50% of their revenue from activities that contribute towards the global transition towards lower-carbon and more sustainable sources of energy, such as lower carbon energy production, distribution, storage, transport and associated supply chain, material provider and technology companies or (ii) generate a lower percentage of their revenue from these activities where the Investment Manager considers they are playing critical roles in the energy transition based on the company's capital expenditure, operating expenditure or market share. At least 75% of the Fund's assets will be invested in companies of the type described in (i).
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal, especially companies that generate revenues from tobacco production or any other part of the tobacco value chain (suppliers, distributors, retailers, licensors), and companies that generate revenues from thermal coal mining and coal fired power generation. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Details of the revenue thresholds together with certain other exclusions the Fund applies are listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation and the minimum share of sustainable investments?

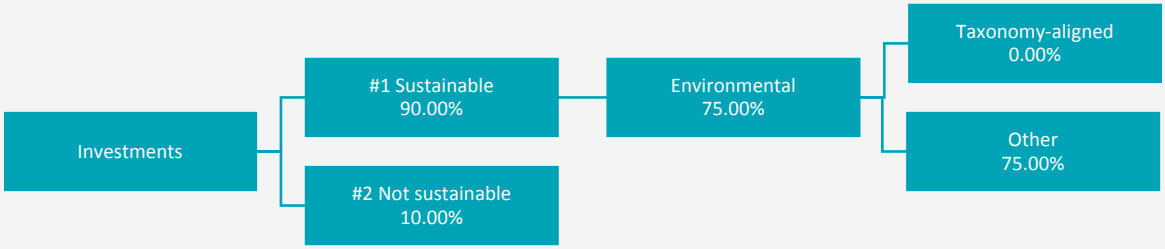
Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its sustainable investment objective are summarised below. The Fund invests at least 90% of its assets in sustainable investments, which means included in **#1 Sustainable** are investments in companies worldwide that (i) generate at least 50% of their revenue from activities that contribute towards the global transition towards lower-carbon sources of energy, such as lower-carbon energy production, distribution, storage, transport and associated supply chain, material provider and technology companies or (ii) generate a lower percentage of their revenue from these activities where the Investment Manager considers they are playing critical roles in the energy transition based on the company's capital expenditure, operating expenditure or market share. The minimum proportion stated applies in normal market conditions.

#2 Not sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

This question is not applicable for the Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's sustainable investments with an environmental objective are aligned with the Taxonomy. Consequently, taxonomy alignment of this Fund's investments has not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

At the date of this prospectus, it is not yet possible to commit to the Fund maintaining a minimum alignment with the Taxonomy, as the Investment Manager is currently not in a position to accurately determine to what extent the Fund's investments are in taxonomy-aligned environmentally sustainable activities. However it is expected that the Fund invests in companies and economic activities that contribute to the environmental objectives of climate change mitigation and climate change adaptation within the meaning of the Taxonomy.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

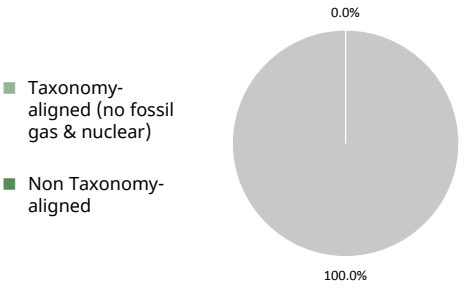
☐ In fossil gas ☐ In nuclear energy

☑ No

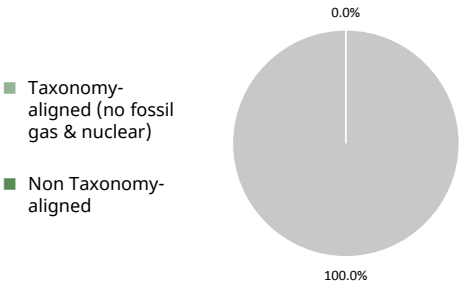
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy is 75%. As stated above this Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's sustainable investments with an environmental objective are aligned with the EU Taxonomy.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with a social objective?

This question is not applicable for the Fund.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

#2 Not Sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

Where can the methodology used for the calculation of the designated index be found?

This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Bond

Legal entity identifier: ITFMVE39JEIQ35YCI721

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Bloomberg Global Aggregate Bond index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Bloomberg Global Aggregate Bond index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Bloomberg Global Aggregate Bond index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is

monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders' PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include Schroders firmwide corporate exclusions regarding:

- Controversial weapons: PAI 14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. All PAI indicators are monitored via Schroders PAI dashboard.

Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing a corporate issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included, for example.

As part of our process we also consider the materiality of PAIs 15 (GHG intensity) and 16 (investee countries subject to social violations) as to whether we should regard these as areas of potential concern.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4, for example. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).

There tends to be fewer opportunities to engage with sovereign issuers, as opposed to corporate issuers, but nonetheless we aim to engage with sovereign and supranational issuers on a periodic basis, primarily with respect to their approach to net zero carbon strategies (relating to PAI 15, GHG intensity).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) issued by governments, government agencies, supra-nationals and companies worldwide in various currencies.

The Fund may invest:

– up to 10% of its assets in contingent convertible bonds;

– up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds); and

– up to 40% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Fund may invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Bloomberg Global Aggregate Bond index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investment for the Fund.

Sustainability factors are assessed – across both sovereign markets and credit allocation decisions – in tandem with macroeconomic factors throughout the Investment Manager's top-down thematic investment process.

In assessing sustainability factors for sovereign issuers, the Investment Manager considers that countries with stable and non-corrupt governments are likely to be more willing and able to service their debts, while political considerations, including the impact of social and governance factors, can influence a country's inflation and currency profile and thus have a material impact on the real value of debt. Environmental impacts – which can be more pertinent over a longer-term horizon – are also incorporated. The Investment Manager's approach includes the use of Schroders' proprietary sustainability tools to rank countries by measuring their performance against multiple sustainability related indicators.

Credit selection decisions are delegated to the Investment Manager's specialist credit investment teams, who aim to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

- The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct; and
- The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The primary sources of information used to perform this analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. For corporate issuers, the Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Bloomberg Global Aggregate Bond index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

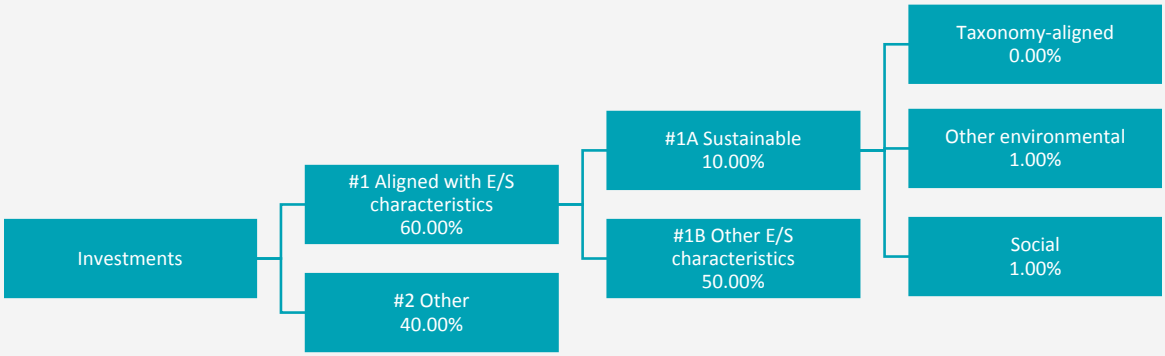
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the Bloomberg Global Aggregate Bond index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

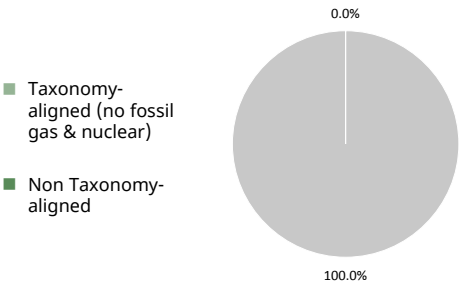
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

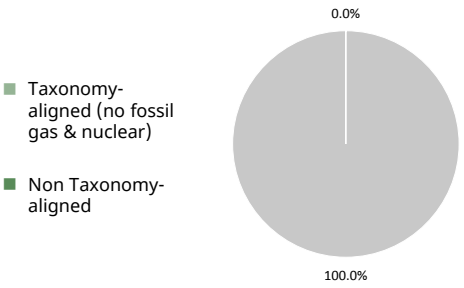
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Cities

Legal entity identifier: 1D8UMR1OQ0TSCJYQ0716

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☑ Yes	●○ ☐ No
☑ It will make a minimum of **sustainable investments with an environmental objective: 10.00%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___**%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☑ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☑ It will make a minimum of **sustainable investments with a social objective 5.00%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The Fund commits to invest at least 90% of its assets in sustainable investments. Within this overall commitment, there is a minimum commitment to invest at least 10% of its assets in sustainable investments with an environmental objective and at least 5% of its assets in sustainable investments with a social objective.

What is the sustainable investment objective of this financial product?

The Fund's sustainable investment objective is to invest its assets in sustainable real estate companies worldwide that own assets in global cities. Sustainable real estate companies contribute to an urban environment that provides a good quality of life for residents while minimising costs to the planet and using resources efficiently. Companies can demonstrate this by prioritising initiatives such as renewable energy; energy efficiency; greenhouse gas (GHG) emissions reduction; effective water management; waste minimisation; and responsible tenant and community engagement; setting sustainability targets; and managing their business in a sustainable way.

The Fund may also invest in investments that the Investment Manager deems to be neutral under its sustainability criteria, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Investment Manager is responsible for determining whether an investment meets the criteria of a sustainable investment. The Investment Manager uses specific sustainability key performance indicators to assess the investment's contribution to an environmental or social objective (as applicable). The output of the Investment Strategy outlined below is the investible universe – this is the production of the list of investments that meet the selection criteria. Compliance with the minimum percentage in sustainable investments is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.The Investment Manager may use several indicators at an investee company level to measure its contribution to the Fund's sustainability objective. A real estate company is classified as contributing to an urban environment that provides a good quality of life for residents while minimising costs to the planet and using resources efficiently if (i) it achieves a score of at least 50% on both the performance and management components of the GRESB Scorecard (the "Scorecard") and thereby achieves the threshold for GRESB's Green Star designation; or (ii) Schroders determines that the company would achieve a score of at least 50% on each component if additional robust evidence was available

within the Scorecard and included in the calculation of the score. This could be relevant where the Scorecard does not capture a relevant area of contribution – such as where the Investment Manager believes that a smaller company has strong sustainability credentials, but it does not submit data to GRESB due to resource constraints and therefore is not scored.

The Scorecard assesses a real estate company across a number of factors, including but not limited to: total energy consumption and renewable energy generated, total GHG emissions, water consumption and reuse or recycling of water, tenant engagement and building certification for the performance component; and leadership, policies and stakeholder engagement for the management component.

GRESB may update the Scorecard periodically. Each factor in the Scorecard is assigned a weighting by GRESB, reflecting its materiality. Weightings are reviewed (and adjusted, if appropriate) annually by GRESB to align with evolving industry practices and standards.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)

- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons, such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered as part of the investment process.

The GRESB Scorecard includes metrics that relate to PAIs 1, 2, 3, 5, 7, 8 and 9
All PAI indicators are monitored via Schroders' PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in the Schroders Engagement Blueprint, which outlines our approach to active ownership.
Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The

Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests its assets in sustainable investments, which are investments in real estate companies that contribute to an urban environment that provide a good quality of life for residents while minimising costs to the planet and using resources efficiently. Each real estate company is classified as sustainable if (i) it achieves a score of at least 50% on both the performance and management components of the GRESB Scorecard (the "Scorecard")[1] and thereby achieves the threshold for GRESB's Green Star designation or (ii) Schroders determines that the company would achieve a score of at least 50% on each component if additional robust evidence was available within the Scorecard and included in the calculation of the score. The Fund may also invest its assets in investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund invests at least 90% of its assets in equity and equity related securities of sustainable real estate companies worldwide which generate the majority of their earnings from real estate investment related activities and own assets in global cities. These are cities that have positive characteristics such as economic strength; strong transport infrastructure; high quality educational institutions; and an innovative business community, based on the Investment Manager's assessment .

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

A real estate company is classified as contributing to an urban environment that provides a good quality of life for residents while minimising costs to the planet and using resources efficiently if (i) it achieves a score of at least 50% on both components of the Scorecard (and thereby achieves the threshold for GRESB's Green Star designation); or (ii) Schroders determines that the company would achieve a score of at least 50% on each component if additional robust evidence was available within the Scorecard and included in the calculation of the score .

GRESB scores individual real estate companies based on a variety of factors, which are used to assess how the real estate assets in the company's portfolio perform across a range of sustainability matters. GRESB collects data at the building (asset) level, which is then aggregated to the company or portfolio level, typically proportionally based on factors such as each building's square footage. Participating companies provide data to GRESB either automatically through their data management systems—integrated with building smart meters—or manually. GRESB may update the Scorecard periodically.

The Investment Manager may also engage with companies in the portfolio, which are expected to demonstrate a clear commitment to sustainability both in their relationships with stakeholders and in their efforts to mitigate their impact on the natural environment.

The Investment Manager also performs its analysis using its own research and Schroders' sustainable proprietary tools. Other third party research is used as a secondary consideration and generally provides a source of challenge or endorsement for its proprietary view.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

[1] GRESB 2024, All intellectual property rights to this data belong exclusively to GRESB B.V. All rights reserved. GRESB B.V. has no liability to any person (including a natural person, corporate or unincorporated body) for any losses, damages, costs, expenses or other liabilities suffered as a result of any use of or reliance on any of the information which may be attributed to it.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of real estate companies worldwide.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The following binding elements are applied throughout the investment process:

The Fund invests at least 90% of its assets in sustainable investments, which are investments in real estate companies that contribute to an urban environment that provide a good quality of life for residents while minimising costs to the planet and using resources efficiently.

- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal, especially companies that generate revenues from tobacco production or any other part of the tobacco value chain (suppliers, distributors, retailers, licensors), and companies that generate revenues from thermal coal mining and coal fired power generation. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Details of the revenue thresholds together with certain other exclusions the Fund applies are listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation and the minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

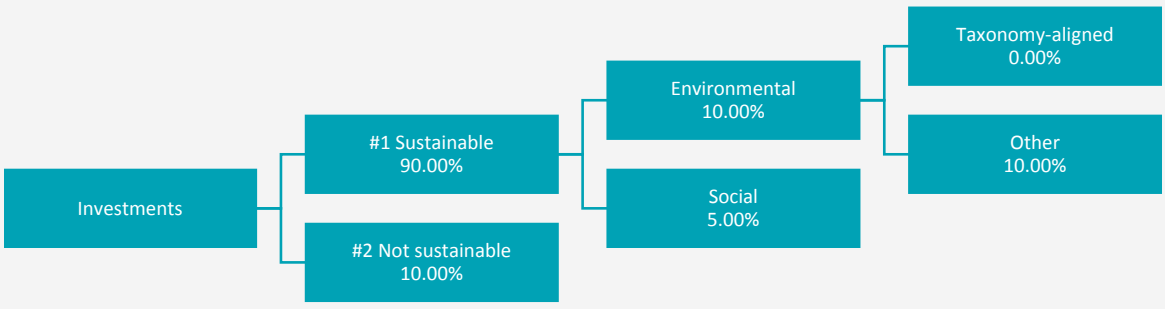
The planned composition of the Fund's investments that are used to meet its sustainable investment objective are summarised below. The Fund invests at least 90% of its assets in sustainable investments, which means included in **#1 Sustainable** are investments in real estate companies worldwide that contribute to an urban environment that provide a good quality of life for residents while minimising costs to the planet and using resources efficiently. Within this overall commitment of 90%, there is a minimum commitment to invest at least 10% of its assets in sustainable investments with an environmental objective and at least 5% of its assets in sustainable investments with a social objective. The minimum proportions stated apply in normal market conditions.

#2 Not sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's

management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

This question is not applicable for the Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

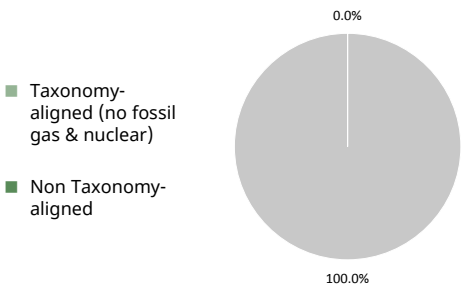
☑ No

[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

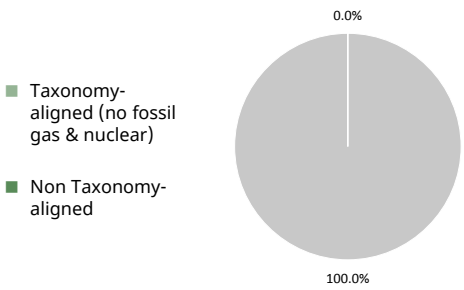
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 10% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with a social objective?

The Fund commits to invest at least 5% of its assets in sustainable investments with a social objective.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

#2 Not Sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Climate Change Equity

Legal entity identifier: TA82RI0NRIZRTKERSH09

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **40.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall level of avoided emissions than the MSCI All Country World (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

Avoided emissions are measured by Schroders' proprietary tool that provides an estimate of the future emissions saved indirectly by companies' products and services through the substitution of high carbon activities with lower carbon alternatives. It does this by identifying certain carbon-avoiding activities and industries that if adopted would contribute to reducing economy-wide emissions. Schroders' proprietary tool uses third party data as well as Schroders own estimates and assumptions and the outcome may differ from other sustainability tools and measures. The level of avoided emissions of the Fund is the aggregate avoided emissions of all issuers in the Fund's portfolio covered by Schroders' proprietary tool.

The Fund invests at least 40% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/ or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall level of avoided emissions than the MSCI All Country World (Net TR) index by reference to the weighted average avoided emissions of the Fund compared against the weighted average avoided emissions of the MSCI All Country World (Net TR) index over the previous six-month period.

The Investment Manager monitors compliance with the characteristic to invest at least 40% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)

- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)

The Fund's exclusions regarding:
- Fossil fuels: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production). The Fund will not invest in companies on the Carbon Underground 200 list or companies with significant exposure to fossil fuels defined as those with 5% or more of their revenues coming from fossil fuel extraction and production.
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process.
The Fund considers climate change criteria at the stock level as part of the sustainability assessment in the investment process. This covers greenhouse gas emissions, avoided emissions, carbon footprint and greenhouse gas intensity of investment companies: PAI 1,2 & 3.
As part of our analysis, we consider how a firm is managing its environmental footprint (including its impact on the climate), as well as its potential exposure to the effects of long-term climate change. While no single climate change metric determines the overall assessment of a company's environmental management score, the Fund evaluates a variety of different metrics – from both internal and external data sources (including a Schroders' proprietary tool) – to determine whether a company is adequately managing its climate and environmental risks.
PAIs 12 (Unadjusted gender pay gap) and 13 (Board gender diversity) are considered as part of our investment process using data from a Schroders' proprietary tool.
All PAI indicators are monitored via Schroders' PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The investment team aims to engage with several issuers on net zero carbon emissions targets (PAI 1,2). Through our engagement activity we seek to understand different areas, such as the speed and scale of emission reduction targets and steps being taken to meet climate goals. We are encouraging companies to set clear emissions reduction targets for all three scopes of emissions and where targets are already set, to confirm these targets are properly integrated into company remuneration policies.
Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting or to understand further a potential sustainability-related risk that has been identified.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Fund maintains a higher overall level of avoided emissions than MSCI All Country World (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may invest directly in China H shares and may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

When assessing the significance of climate change on the long-term business outlook for a company, a company is assessed on a number of factors which include but are not limited to:

If the company has significant direct industry exposure to climate change trends (mitigation – reducing greenhouse gas emissions through energy efficiency, renewable power, and cleaner vehicles; or adaptation - those that are preparing for the impacts of climate change, for example water stress, coastal flooding, community health issues, or supply chain disruptions, among other issues).

The proportion of business segments that are potentially exposed to climate change trends.

If the company has significant investment and research and development spending related to the transition to a lower carbon economy.

A product portfolio that takes into account the physical and transition risks posed by climate change.

The impact on the company of rising carbon costs in the context of its industry and competitive environment.

The Investment Manager will then decide on a case by case basis whether a company is eligible for inclusion in the Fund's investment universe, based on this assessment. In addition, the Investment Manager's ESG analysis seeks to evaluate the materiality and impact of a range of ESG factors on the sustainability of future earnings growth and as potential risk factors that may affect a company's valuation. The Investment Manager's decision will focus on ratings in the areas that are most relevant to the particular business of that company.

The Investment Manager performs its own analysis of information provided by the companies, including information provided in company sustainability reports and other relevant company material. The research draws information from a wide variety of publicly available corporate information and company meetings, broker reports and outputs from industry bodies, research organisations, think tanks, legislators, consultants, NGOs and academics. Third party research is used as a secondary consideration, and generally provides a source of challenge or endorsement for the Investment Manager's proprietary view.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 30% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies worldwide.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall level of avoided emissions than the MSCI All Country World (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 40% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Any such exception cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 30% of the Fund's potential investment universe is excluded from the selection of investments.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

As a result of the application of the Fund's sustainability criteria, at least 30% of the Fund's potential investment universe is excluded from the selection of investments. For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 80%. The Fund commits to maintain a higher overall level of avoided emissions than the MSCI All Country World (Net TR) index, and so the Fund's investments that are measured by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's overall level of avoided emissions (whether such individual investment has a high or low level). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

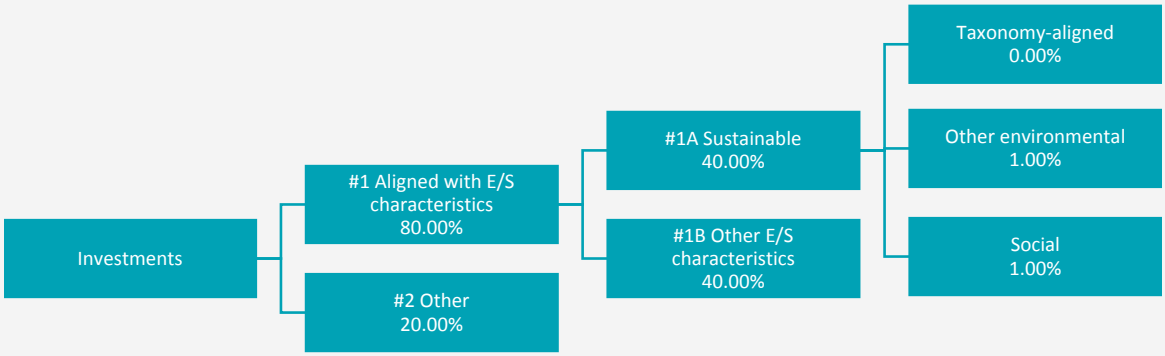
Avoided emissions are measured by Schroders' proprietary tool that provides an estimate of the future emissions saved indirectly by companies' products and services through the substitution of high carbon activities with lower carbon alternatives. It does this by identifying certain carbon-avoiding activities and industries that if adopted would contribute to reducing economy-wide emissions. Schroders' proprietary tool uses third party data as well as Schroders own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The Fund will invest at least 40% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not covered by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's overall level of avoided emissions. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's sustainable investments with an environmental objective are aligned with the Taxonomy. Consequently, taxonomy alignment of this Fund's investments has not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio .

At the date of this prospectus, it is not yet possible to commit to the Fund maintaining a minimum alignment with the Taxonomy, as the Investment Manager is currently not in a position to accurately determine to what extent the Fund's investments are in taxonomy-aligned environmentally sustainable activities. However it is expected that the Fund invests in companies and economic activities that contribute to the environmental objectives of climate change mitigation and climate change adaptation within the meaning of the Taxonomy.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

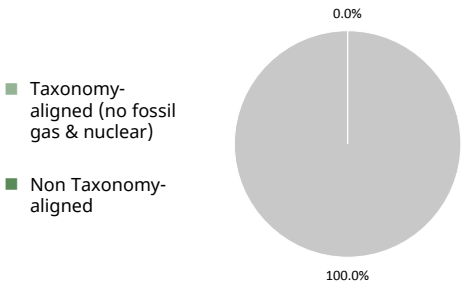
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

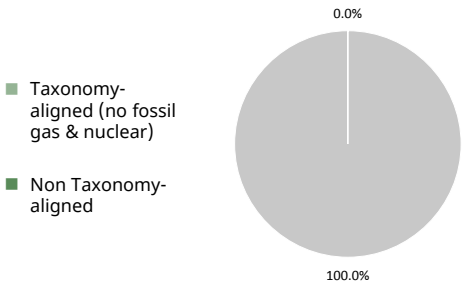
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not covered by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's overall level of avoided emissions.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Climate Leaders

Legal entity identifier: 549300VTE2QMTP9FYD10

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **50.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI All Country World (Net TR) Index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and/or social characteristics promoted by the Fund and is not used to attain the environmental and/or social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests in companies that have set targets in relation to the decarbonisation of their business consistent with limiting climate change to 1.5°C warming or less under the Paris Agreement.

The Fund invests at least 50% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI All Country World (Net TR) Index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI All Country World (Net TR) Index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest in companies that have set targets in relation to the decarbonisation of their business by reviewing the Fund's investments' specific scope 1 and 2 emissions reduction targets on a periodic basis. The Investment Manager draws information from company sustainability reports, company climate disclosure as reported by the Carbon Disclosure Project (CDP), the Science Based Targets Initiative (SBTi) and other third party data vendors in performing this review.

The Investment Manager monitors compliance with the characteristic to invest at least 50% of its assets in sustainable investments by reference (i) to the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
The Fund's exclusions regarding:
- Fossil fuels: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production). The Fund will not invest in companies on the Carbon Underground 200 list or companies with significant exposure to fossil fuels defined as those with 5% or more of their revenues coming from fossil fuel extraction and production.
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process.
The Fund considers climate change criteria at the stock level as part of the sustainability assessment in the investment process. This covers greenhouse gas emissions, carbon footprint, greenhouse gas intensity of investment companies and energy consumption intensity per high impact climate sector investing in companies without carbon emission reduction initiatives (PAIs 1,2, 3, 6 & PAI 4 from Annex 1 Table 2).
As part of our stock analysis, we consider how a firm is managing its environmental footprint (including its impact on the climate), as well as how the company plans to reduce its GHG emissions. No single metric determines the overall assessment of a company's climate profile. The Fund evaluates a variety of different metrics – from both internal and external data sources (including a Schroders' proprietary tool) – to determine whether a company is adequately managing its climate risks.
PAI 12 (unadjusted gender pay gap) and PAI 13 (board gender diversity) are considered as part of our good governance framework using data from our internal proprietary tool.
All PAI indicators are monitored via Schroders' PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.
The investment team aims to engage with several issuers on net zero carbon emissions targets (PAI 1,2, 3). The Fund also aims to engage with several issuers, where relevant, on procuring renewable energy for energy consumption (PAI 5). Through our engagement activity we seek to understand the ambition and scale of emission reduction targets and steps being taken to meet climate goals. We are encouraging companies to set clear emissions reduction targets for all three scopes of emissions, including independent verification, and where targets are already set, to encourage integration of these targets into company remuneration policies. Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting or to understand further a potential sustainability-related risk that has been identified.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Fund maintains a higher overall sustainability score than the MSCI All Country World (Net TR) Index, based on the Investment Manager's rating system.

The Fund invests in companies that have set targets in relation to the decarbonisation of their business consistent with limiting climate change to 1.5°C warming or less under the Paris Agreement.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Fund may invest in companies that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to two years.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may invest directly in China H Shares and may invest up to 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

When deciding whether a company is eligible for the Fund's portfolio, the Investment Manager will assess it against a number of criteria which include but are not limited to the company's emissions reduction target and whether the Investment Manager believes that the company is an ambitious and clear climate leader within its industry. The Investment Manager will decide on a case by case basis whether a company is eligible for inclusion in the Fund's investment universe, based on this assessment. The Investment Manager's decision will focus on ratings in the areas that are most relevant to the particular business of that company.

The Investment Manager performs its own analysis of information provided by the companies, including information provided in company sustainability reports and other relevant company material. The research draws information from a wide variety of publicly available corporate information and company meetings, broker reports and outputs from industry bodies, research organisations, think tanks, legislators, consultants, NGOs and academics. Third party research is used as a secondary consideration, and generally provides a source of challenge or endorsement for the Investment Manager's proprietary view.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies worldwide.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI All Country World (Net TR) Index based on the Investment Manager's rating criteria.
- The Fund invests at least 50% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- The Fund invests in companies that have set targets in relation to the decarbonisation of their business consistent with limiting climate change to 1.5°C warming or less under the Paris Agreement.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

As a result of the application of the Fund's sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments. For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 80%. The Fund commits to maintain a higher overall sustainability score than the MSCI All Country World (Net TR) Index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 50% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

At the date of this Prospectus, it is not yet possible to commit to the Fund maintaining a minimum alignment with the Taxonomy, as the Investment Manager is currently not in a position to accurately determine to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities. Taxonomy alignment of this Fund's investments has therefore not been calculated and as a result has been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

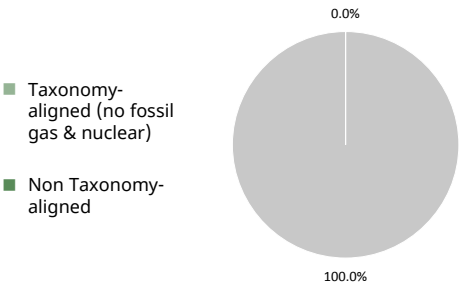
☑ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

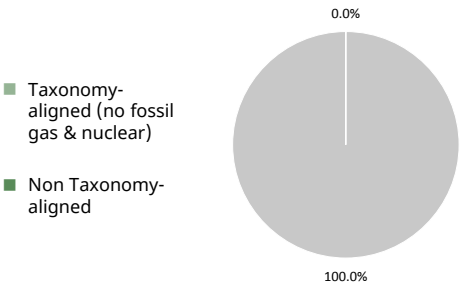
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Convertible Bond

Legal entity identifier: UPIJNFBDJ8GTQSXIR931

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of 10**%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the FTSE Global Focus Hedged Convertible Bond Index, based on the Investment Manager's rating system.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective(s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the FTSE Global Focus Hedged Convertible Bond Index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the FTSE Global Focus Hedged Convertible Bond Index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and/or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls.

The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/oursustainable-investment-policies-disclosures-voting-reports/group-exclusions/The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. Quantitative: this includes indicators where specific thresholds have been established:

   - Via the application of exclusions. This approach is relevant to PAI 4 (Exposure to companies active in the fossil fuel sector), PAI 5 (Share of non-renewable energy consumption and production) and PAI 14 (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

- **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, PAI 1 (GHG emissions), PAI 2 (Carbon footprint) and Voluntary PAI 4 in Table 2 (Investing in companies without carbon emission reduction initiatives). PAI 3 (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for PAI 6 (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for PAI 15 (GHG intensity). PAI 16 (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Fund allocates its assets across multiple underlying strategies. Some PAIs are considered at the Fund level, whilst other PAIs are considered at the level of the underlying strategies by the relevant investment manager where applicable.

Some PAIs are considered as part of pre-investment through the application of exclusions applied at the Fund level. These include:

- Controversial weapons (PAI 14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: (PAI 4 (Exposure to companies active in the fossil fuel sector), PAI 5 (Share of non-renewable energy consumption and production) – applied to relevant underlying strategies.

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

Where appropriate PAIs are also considered through integration in the investment process, specifically the stock selection process in underlying strategies. For example the global equity strategy considers PAIs in the following way:

- Schroders' proprietary tool, which is used as part of screening the investment universe and for providing a maximum that can be invested in each company, incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score, PAIs 1, 2 and 3 (Greenhouse gas emissions) are included. In assessing an issuer's overall social score, PAIs 12 (Unadjusted gender pay gap) and 13 (Board gender diversity) are included.

The investment team monitors all PAI indicators via Schroders' PAI dashboard.

Other PAIs are considered via active ownership, which where relevant is performed indirectly via the underlying investment managers. Where applicable, based on the underlying strategies and the relevant investment manager's own investment process, PAIs are considered post-investment through engagement in line with the approach and expectations set out in Schroders Engagement Blueprint.

Examples of PAIs captured via this approach included PAI 1 (GHG emissions, PAI 2 (Carbon footprint), PAI 3 (GHG intensity of investee companies) and PAI 13 (Board gender diversity).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in a diversified range of convertible securities and other similar transferable securities, such as convertible preference securities, exchangeable bonds or exchangeable notes issued by companies worldwide. The Fund may also invest in fixed and floating rate securities, equity and equity related securities of companies worldwide.

Convertible bonds are typically corporate bonds that can be converted into shares at a given price. As such, the Investment Manager believes investors can gain exposure to global equity markets with the defensive benefits and less volatile characteristics of a bond investment.

The Fund may invest in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than FTSE Global Focus Hedged Convertible Bond Index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The investable universe is assessed using a number of proprietary tools, as well as external rating services.

The Investment Manager will assess companies against a variety of environmental, social and governance metrics, taking into account issues such as climate change, environmental performance, labour standards and board composition. The Investment Manager will decide whether an investment is eligible for inclusion taking into account the overall ESG score. The Investment Manager may select investments, which it deems to contribute to one or more environmental or social objectives, provided that they do no significant harm to any other environmental or social objectives.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en/lu/private-investor/strategic-capabilities/sustainability/disclosures

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the FTSE Global Focus Hedged Convertible Bond Index, based on the Investment Manager's rating system.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

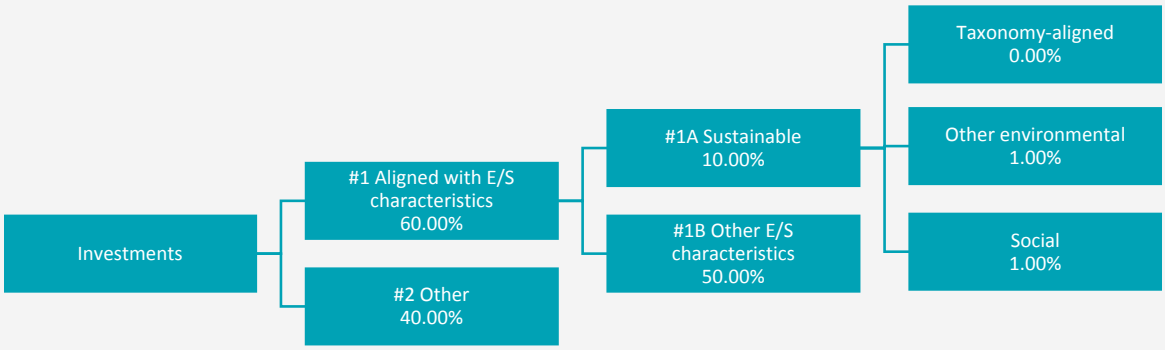
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the FTSE Global Focus Hedged Convertible Bond Index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

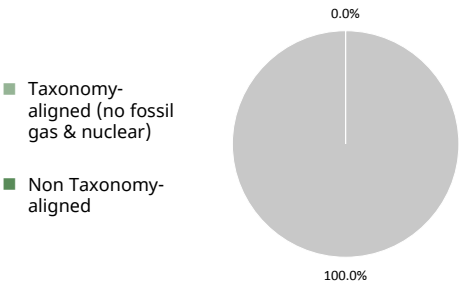
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

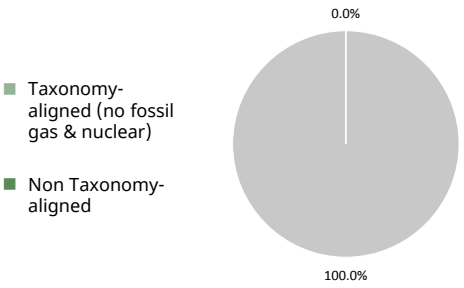
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with The EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Corporate Bond

Legal entity identifier: 1YK3XMIPDXWQ8KR0SJ46

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Bloomberg Global Aggregate – Corporate index Hedged to USD, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Bloomberg Global Aggregate – Corporate index Hedged to USD by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Bloomberg Global Aggregate – Corporate index Hedged to USD in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is

monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norm' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the issuer analysis as part of the investment process. Schroders' proprietary tool is used which incorporates several PAIs as a component of its scoring methodology. For example, PAI 1 (GHG emissions), PAI 2 (Carbon footprint) and PAI 3 (GHG intensity of investee companies), are included as part of a company's overall environmental score, which is used as part of our issuers analysis within the investment process. All PAI indicators are monitored via Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selective investee companies on a range on environmental related topics, such as climate alignment, targets, and transition plans. These relate to environmental PAIs including PAI 1 (GHG emissions), PAI 2 (Carbon footprint) and PAI 3 (GHG intensity of investee companies). Where issuers are flagged on lack of data availability, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in various currencies and issued by companies worldwide.

The Fund invests in the full credit spectrum of fixed income investments. The Fund may invest:

– up to 40% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);

– up to 20% of its assets in securities issued by governments and government agencies; and

– up to 10% of its assets in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may use leverage.

The Fund maintains a higher overall sustainability score than the Bloomberg Global Aggregate – Corporate index Hedged to USD, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

– The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct.

– The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Bloomberg Global Aggregate – Corporate index Hedged to USD based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

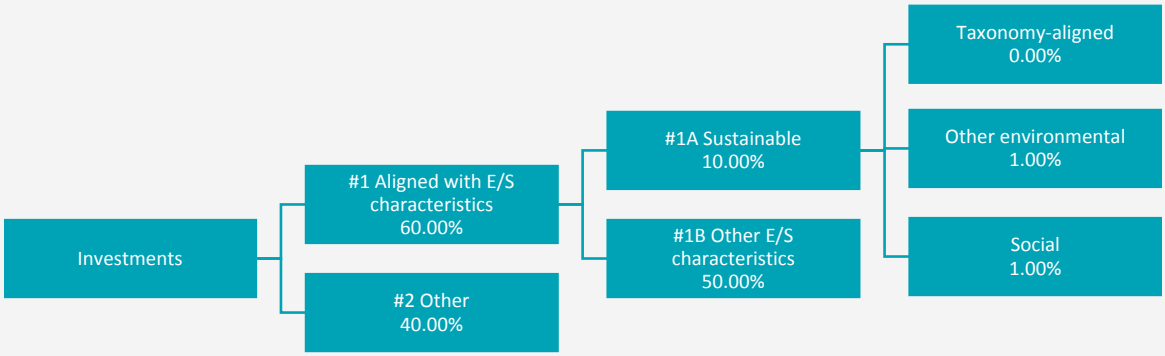
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the Bloomberg Global Aggregate – Corporate index Hedged to USD, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

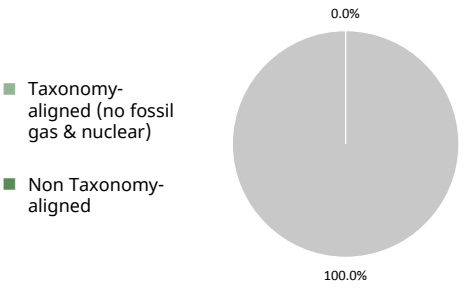
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

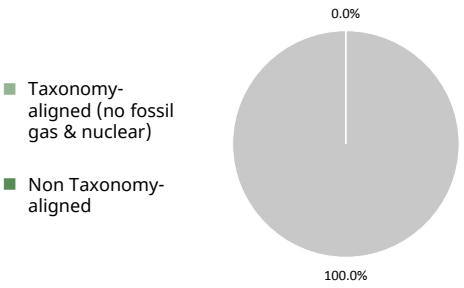
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Credit High Income

Legal entity identifier: GLW6BQ1WNCTANKN6GW68

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse ex Treasury BBB+ to CCC + USD, EUR, GBP index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Bloomberg Multiverse ex Treasury BBB+ to CCC+ USD, EUR, GBP index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Bloomberg Multiverse ex Treasury BBB + to CCC+ USD, EUR, GBP index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii)

whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included. All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries.

The Fund may invest:

– in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);

- up to 40% of its assets in asset-backed securities and mortgage-backed securities (including in agency mortgage-backed securities and with a maximum of 20% of the Fund's assets in non-agency mortgage-backed securities and in asset-backed securities);

– up to 15% of its assets in convertible bonds (including contingent convertible bonds);

– up to 10% of its assets in open-ended Investment Funds; and

– in Money Market Investments and hold cash.

The Investment Manager aims to mitigate losses by diversifying the Fund's asset allocation away from areas of the market identified as having a high risk of material negative return.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, and warrants.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse ex Treasury BBB+ to CCC + USD, EUR, GBP index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

– The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct.

– The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse ex Treasury BBB+ to CCC+ USD, EUR, GBP index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries, held in the Fund's portfolio are rated against the sustainability criteria,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

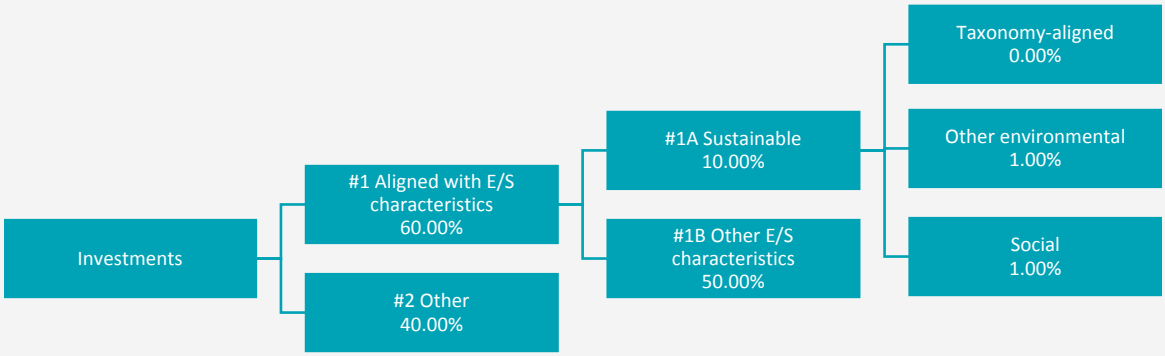
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the Bloomberg Multiverse ex Treasury BBB+ to CCC+ USD, EUR, GBP index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

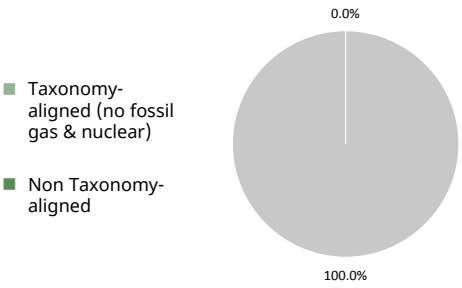
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

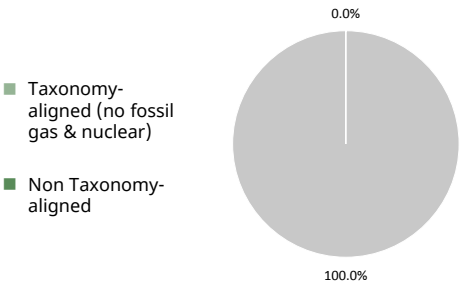
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Credit Income

Legal entity identifier: 5493009U5NQCD335Y052

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls.

The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included. All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate investment grade and high yield securities issued by governments, government, supra-nationals and companies worldwide, including emerging market countries.

The Fund may invest:

- in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- less than 30% of its assets in asset-backed securities and mortgage-backed securities (including in agency mortgage-backed securities and with a maximum of 10% of the Fund's assets in non-agency mortgage-backed securities and in asset-backed securities);
- up to 15% of its assets in convertible bonds (including contingent convertible bonds);
- up to 10% of its assets in open-ended Investment Funds.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The Investment Manager aims to mitigate losses by diversifying the Fund's asset allocation away from areas of the market identified as having a high risk of material negative return.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre.

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

– The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct.

– The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

– 75% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse ex Treasury A + to B- USD Hedged index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

– 75% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

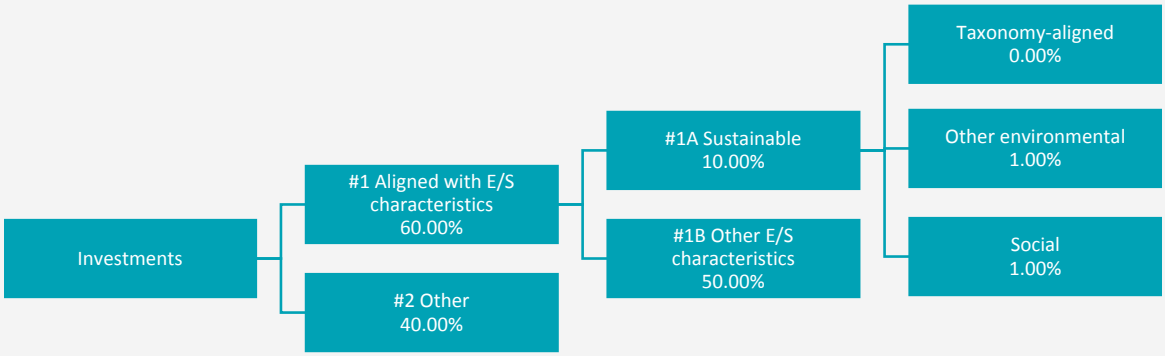
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

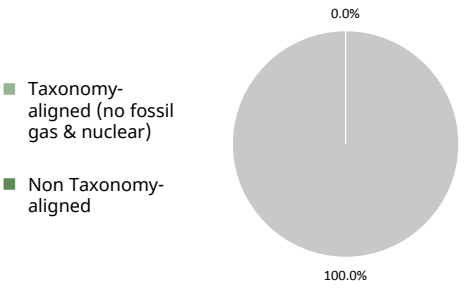
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

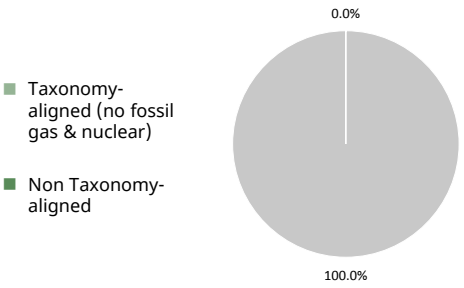
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Credit Income Short Duration

Legal entity identifier: 5493006ZQNNBQCGW4K92

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse 1-5 year TR ex-Treasury A+ to B- EUR hedged index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Bloomberg Multiverse 1-5 year TR ex-Treasury A+ to B- EUR hedged index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Bloomberg Multiverse 1-5 year TR ex-Treasury A+ to B- EUR hedged index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether the asset is classified as a green, social and/or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included. All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries. The Fund's strategy will have an overall duration of less than four years but this does not preclude the Fund from investing in securities with a duration above four years. The Investment Manager believes the short duration strategy should limit the overall level of interest rate risk.

The Fund may invest:

– in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);

– up to 40% of its assets in asset-backed securities and mortgage-backed securities (including in agency mortgage-backed securities and with a maximum of 20% of the Fund's assets in non-agency mortgage-backed securities and in asset-backed securities);

– up to 15% of its assets in convertible bonds (including contingent convertible bonds); and

– up to 10% of its assets in open-ended Investment Funds.

The Investment Manager also aims to mitigate losses by diversifying the Fund's asset allocation away from areas of the market identified as having a high risk of material negative return or principal risk.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash.

The Fund maintains a higher overall sustainability score than Bloomberg Multiverse 1-5 year TR ex-Treasury A+ to B- EUR hedged index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may also invest in derivatives to create long and short exposure to the underlying assets of these derivatives.

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

The strategy applies structural sustainability themes and screens to combine best-in-class companies with investments in issuers demonstrating good or improving sustainability credentials. This is achieved by:

– The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/or have demonstrated gross misconduct.

– The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers. As part of the selection process, the Investment Manager also considers companies' commitment to sustainable themes such as climate change mitigation, economic inclusion and health and wellbeing.

The selection of green, social and sustainable bonds entails assessing the overall sustainability of the issuer and analysing the use of. A green bond is a fixed or floating rate security that finances an environmental objective. A social bond is a fixed or floating rate security that finances a social objective. A sustainable bond is a fixed or floating rate security that finances both environmental and social objectives.

The primary sources of information used to perform the analysis are Schroders' proprietary sustainability tools and research, and the Investment Manager's third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse 1-5 year TR ex-Treasury A+ to B- EUR hedged index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the Bloomberg Multiverse 1-5 year TR ex-Treasury A+ to B- EUR hedged index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.

- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

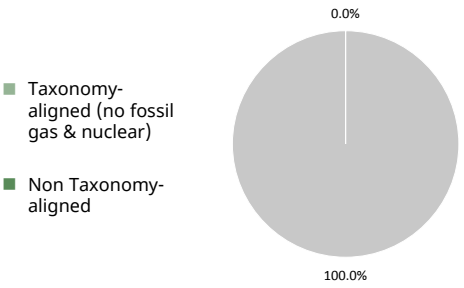
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

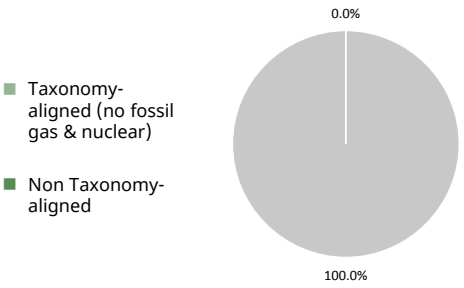
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Diversified Growth

Legal entity identifier: UILX05PRFETP7OQYCX05

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), FTSE Global Convertible Bonds Index (hedged to EUR), based on the Investment Manager's rating system. The component benchmarks (which are each respectively a broad market index) do not take into account the environmental and social characteristics promoted by the Fund. The blend will evolve over time in line with the actual asset allocation of the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the blend of the named benchmarks by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the blend of the named benchmarks that reflects the Fund's asset allocation. Both

scores are based on month-end data over the previous six-month period. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls.

The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

human rights, anticorruption and antibribery matters.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Fund allocates its assets across multiple underlying strategies. Some PAIs are considered at the Fund level, whilst other PAIs are considered at the level of the underlying strategies by the relevant investment manager where applicable.

Some PAIs are considered as part of pre-investment through the application of exclusions applied at the Fund level. These include:

- Controversial weapons (PAI 14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: (PAI 4 (Exposure to companies active in the fossil fuel sector), PAI 5 (Share of non-renewable energy consumption and production) – applied to relevant underlying strategies.

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

Where appropriate PAIs are also considered through integration in the investment process, specifically the stock selection process in underlying strategies. For example the global equity strategy considers PAIs in the following way:

- Schroders' proprietary tool, which is used as part of screening the investment universe and for providing a maximum that can be invested in each company, incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score, PAIs 1, 2 and 3 are included. In assessing an issuer's overall social score, PAIs 12 and 13 are included.

The investment team monitors all PAI indicators via Schroders' PAI dashboard.

Other PAIs are considered via active ownership, which where relevant is performed indirectly via the underlying investment managers. Where applicable, based on the underlying strategies and the relevant investment manager's own investment process, PAIs are considered post-investment through engagement in line with the approach and expectations set out in Schroders Engagement Blueprint.

Examples of PAIs captured via this approach include PAI 1 (GHG emissions), PAI 2 (Carbon footprint), PAI 3 (GHG intensity of investee companies) and PAI 13 (Board gender diversity).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests directly or indirectly through derivatives or open-ended Investment Funds (including other Schroder Funds) and Exchange Traded Funds in a wide range of assets including equity and fixed income securities and Alternative Asset Classes (subject to any restrictions provided in Appendix I).

The Fund may invest directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities. The Fund may invest up to 20% of its assets indirectly in commodities. The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities

and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 25% and is expected to remain within the range of 0% to 15% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund may invest up to 100% of its assets in open-ended Investment Funds (including other Schroder Funds). The Fund may invest in another fund that charges a performance fee.

The Fund may invest in Money Market Investments and hold cash.

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend* of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), FTSE Global Convertible Bonds Index (hedged to EUR), based on the Investment Manager's rating system. The blend will evolve over time in line with the actual asset allocation of the Fund.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The investable universe is assessed using a number of proprietary tools, as well as external rating services.

The Investment Manager will assess companies against a variety of environmental, social and governance metrics, taking into account issues such as climate change, environmental performance, labour standards and board composition. The Investment Manager will decide whether an investment is eligible for inclusion taking into account the overall ESG score. The multi-asset nature of the Fund means that the Investment Manager will analyse the ESG scores across asset classes as an input into the asset allocation of the Fund. The Investment Manager may select investments, which it deems to contribute to one or more environmental or social objectives, provided that they do no significant harm to any other environmental or social objectives.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), FTSE Global Convertible Bonds Index (hedged to EUR) based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the

Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

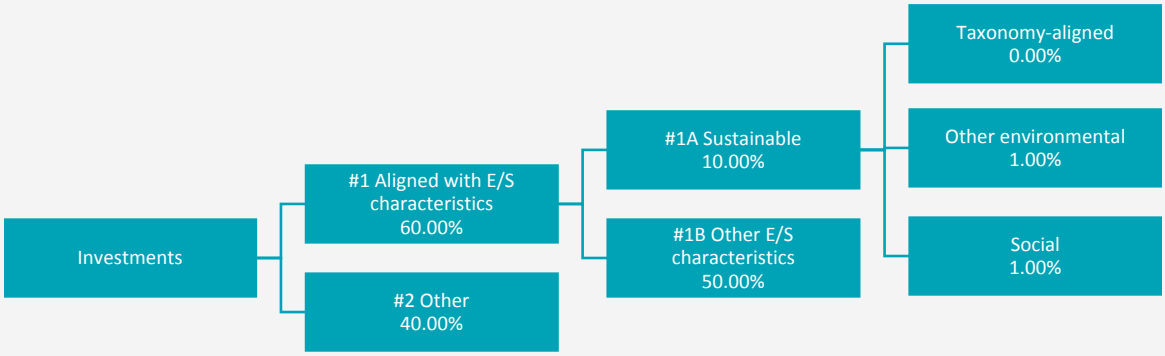
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), FTSE Global Convertible Bonds Index (hedged to EUR), and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives such as equity index futures may be used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives may therefore be used to attain the Fund's sustainability score in Schroders' proprietary tool which is one of the binding elements of the Fund. The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

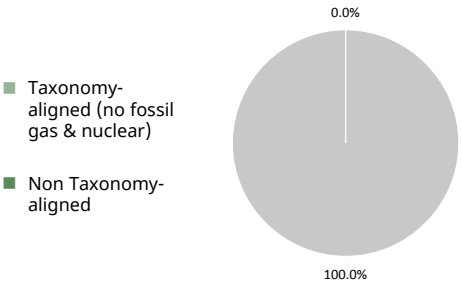
☐ In fossil gas ☐ In nuclear energy

☑ No

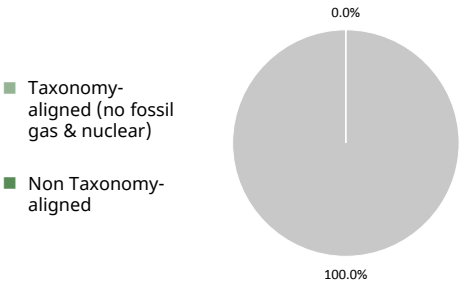
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Emerging Market Opportunities

Legal entity identifier: JU8KRPJWHOMRDHSKVI22

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI Emerging Markets 10/40 (Net TR) index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and

compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process through the bottom up stock analysis at a company level. The emerging markets investment team has a number of proprietary tools to aid ESG analysis. At the company level, Schroders proprietary tool is the main repository for the team's ESG analysis. Schroders proprietary tool provides a systematic framework for analysing a company's relationship with its stakeholders and the sustainability of its business model. It contains more than 250 metrics drawn from company reports and other sources that assess a company's performance in specific areas.
PAIs 1,2,3 (Greenhouse gas emissions), 9 (Hazardous waste and radioactive waste ratio) and 13 (Board gender diversity) are specifically considered as part of the Schroders proprietary tool analysis where appropriate and material to the business. In the case of PAIs 8 (Emissions to water) and 12 (Unadjusted gender pay gap) the availability of data is very limited so it is not widely used within Schroders proprietary tool but monitored instead at the overall portfolio level.
All PAI indicators are monitored via Schroders PAI dashboard. We review the PAI data in the PAI dashboard regularly as part of the monthly ESG risk meeting which formally reviews portfolio level ESG characteristics.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.
The Investment Manager may engage with selected issuers held by the Fund on PAIs. For example, we aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2,3), procuring renewable energy (PAI 5) and further topics of engagement may include board gender diversity which relates to PAI 13.
Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in emerging market countries worldwide.

The Fund may invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The Investment Manager performs due diligence on potential holdings, including meetings with management, and assesses the company's governance, environmental and social profile across a range of factors. This process is supported by quantitative analysis provided by Schroders' proprietary sustainability tools, which are key inputs to assess how existing and potential investments for the portfolio are meeting the Fund's sustainability criteria. In some cases, companies which fall below the sustainability criteria may still be eligible for investment if, as a result of proprietary analysis and ongoing engagement with management, the Investment Manager believes the company will meet its sustainability criteria within a realistic time horizon.

For a company to be eligible to be held in the Fund, it is expected to show a commitment to its stakeholders, including customers, employees, suppliers, shareholders and regulators. The Fund selects companies whose businesses demonstrate good governance and aim to treat stakeholders equitably.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data and reports.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

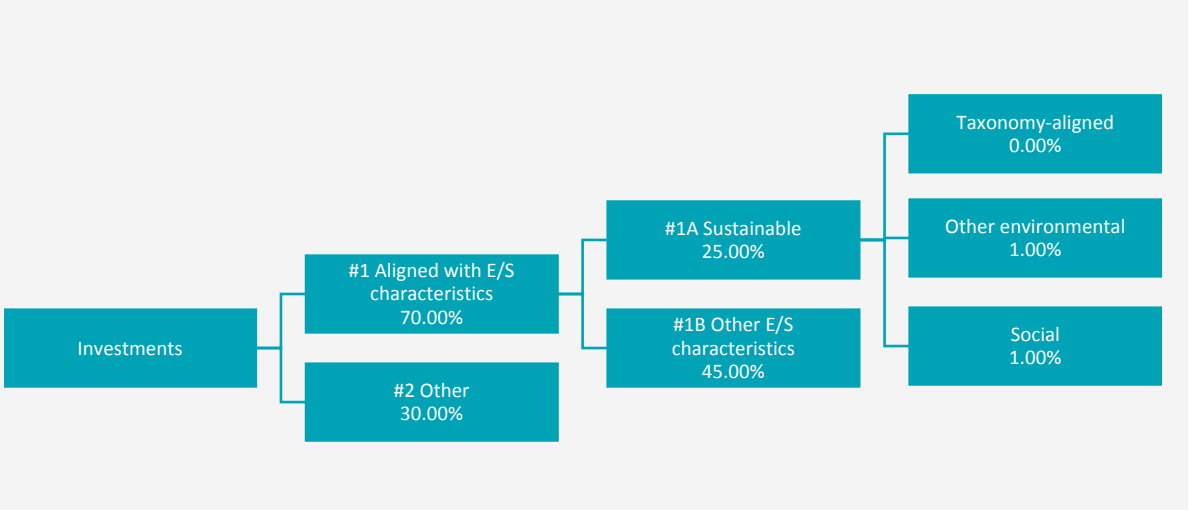
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI Emerging Markets 10/40 (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

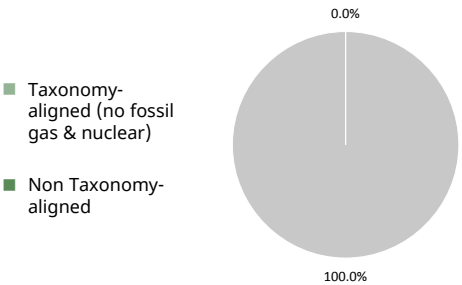
☐ In fossil gas ☐ In nuclear energy

☑ No

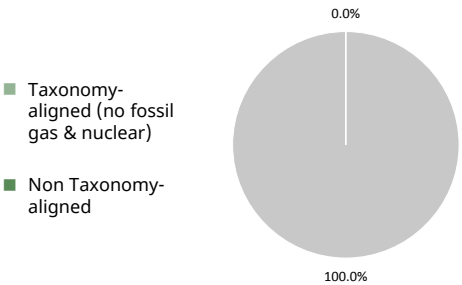
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Emerging Markets Smaller Companies

Legal entity identifier: 549300F4FWZAJKH8YQ10

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets Small Cap (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI Emerging Markets Small Cap (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI Emerging Markets Small Cap (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance

with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list of excluded companies is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and

compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process through the bottom up stock analysis at a company level. The emerging markets investment team has a number of proprietary tools to aid ESG analysis. At the company level, Schroders proprietary tool is the main repository for the team's ESG analysis. Schroders proprietary tool provides a systematic framework for analysing a company's relationship with its stakeholders and the sustainability of its business model. It contains more than 250 metrics drawn from company reports and other sources that assess a company's performance in specific areas.
PAIs 1,2,3 (Greenhouse gas emissions), 9 (Hazardous waste and radioactive waste ratio) and 13 (Board gender diversity) are specifically considered as part of the Schroders proprietary tool analysis where appropriate and material to the business. In the case of PAIs 8 (Emissions to water) and 12 (Unadjusted gender pay gap) the availability of data is very limited so it is not widely used within Schroders proprietary tool but monitored instead at the overall portfolio level.
All PAI indicators are monitored via Schroders PAI dashboard. We review the PAI data in the PAI dashboard regularly as part of the monthly ESG risk meeting which formally reviews portfolio level ESG characteristics.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.
The Investment Manager may engage with selected issuers held by the Fund on PAIs. For example, we aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2,3), procuring renewable energy (PAI 5) and further topics of engagement may include board gender diversity which relates to PAI 13.
Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small-sized companies of global emerging market countries, including companies outside these countries which have a substantial business exposure to global emerging markets.

Small-sized companies are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the global emerging market companies.

The Fund may invest directly in China H-Shares and may invest up to 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets Small Cap (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The Investment Manager performs due diligence on potential holdings, including meetings with management, and assesses the company's governance, environmental and social profile across a range of factors. This process is supported by quantitative analysis provided by Schroders' proprietary sustainability tools, which are key inputs to assess how existing and potential investments for the portfolio are meeting the Fund's sustainability criteria. In some cases, companies which fall below the sustainability criteria may still be eligible for investment if, as a result of proprietary analysis and ongoing engagement with management, the Investment Manager believes the company will meet its sustainability criteria within a realistic time horizon.

For a company to be eligible to be held in the Fund, it is expected to show a commitment to its stakeholders, including customers, employees, suppliers, shareholders and regulators. The Fund selects companies whose businesses demonstrate good governance and aim to treat stakeholders equitably.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data and reports.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets Small Cap (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI Emerging Markets Small Cap (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

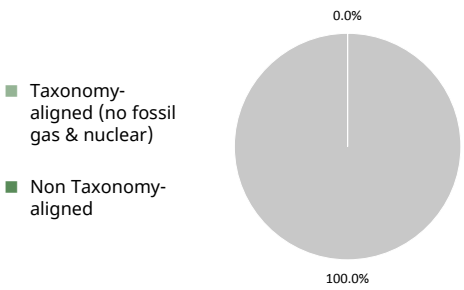
☑ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

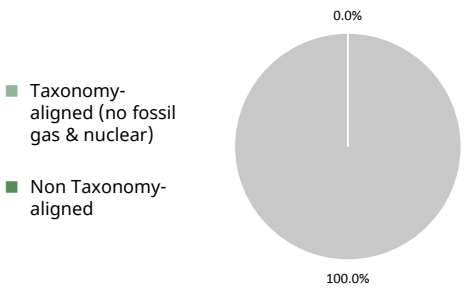
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Equity

Legal entity identifier: W98SM5I2EG2S17ELT606

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI All Country (AC) World (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI All Country (AC) World (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI All Country (AC) World (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons, such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons)

- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As part of the investment process, Schroders' proprietary tool is used which incorporates several PAIs as a component of its scoring methodology. For example, PAI 2, 3, 4, 5, 6 (Greenhouse gas emissions) and PAI 4 from Annex 1 Table 2 (Investments in companies without carbon emission reduction initiatives) are included as part of a company's overall environmental score. These PAIs, amongst others, are embedded within our investment process, informing our view on business risk and long-term growth drivers. PAI 13 (Board gender diversity) is also considered as part of our assessment of management quality and company strategy. PAI 6, PAI 4 from Annex 1 Table 2 and PAI 14 from Annex 1 Table 3 (Number of identified cases of severe human rights issues and incidents) are considered relative to industry peers and poor performance issuers on these metrics/ indicators receive higher risk scores in our assessment and form the basis of our engagement activities.

All PAI indicators are monitored via Schroders' PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in the Schroders Engagement Blueprint, which outlines our approach to active ownership.

Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Investment Manager seeks to identify companies that it believes will deliver future earnings growth above the level expected by the market typically on a three to five year horizon (we refer to this as 'a positive growth gap').

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI All Country (AC) World (Net TR) index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The Investment Manager evaluates issuers against a range of environmental, social and governance factors in order to decide whether an issuer is eligible for the Fund's portfolio. This analysis is performed by global sector specialists and local analyst teams and is supported by Schroders' dedicated Sustainable Investment team. The Investment Manager uses Schroders' proprietary sustainability tools to provide a baseline assessment that contributes to the overall ESG appraisal of a company. Additionally, meetings with company management inform the Investment Manager's view, providing further insights on corporate culture and senior management commitment to corporate social responsibility. While it is not necessary for every investment selected to exhibit positive ESG characteristics, the Investment Manager will ensure that in aggregate, the portfolio demonstrates a positive score relative to the benchmark specified in the investment policy.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI All Country (AC) World (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI All Country (AC) World (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on

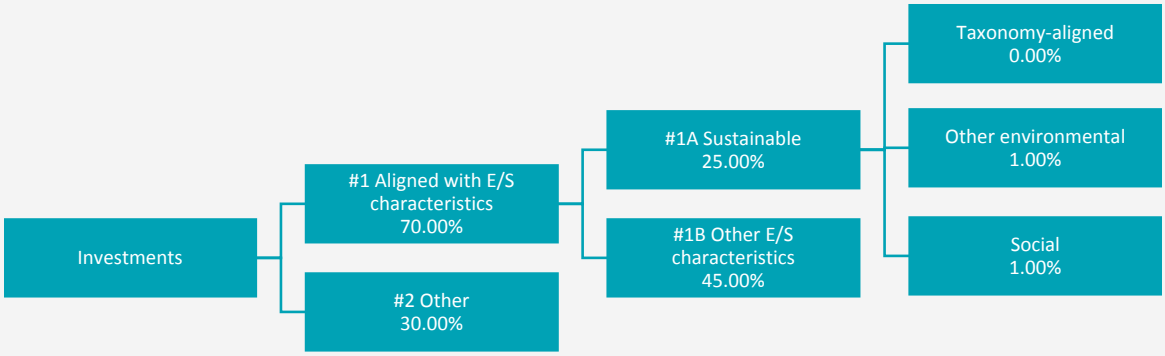
the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

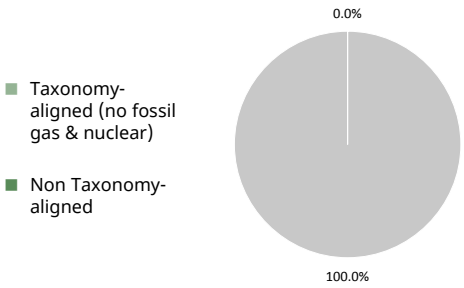
☐ In fossil gas ☐ In nuclear energy

☑ No

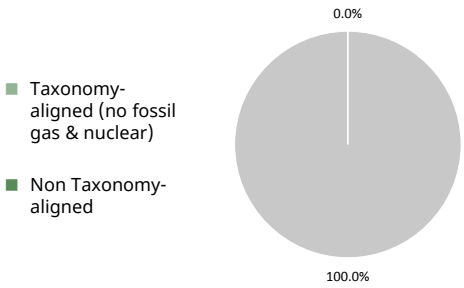
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Equity Impact

Legal entity identifier: 6367002HMP4ST6LJGW14

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good Governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☑ Yes	●○ ☐ No
☑ It will make a minimum of **sustainable investments with an environmental objective: 10.00%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of ___**%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☑ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☑ It will make a minimum of **sustainable investments with a social objective 10.00%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The Fund commits to invest at least 90% of its assets in sustainable investments. Within this overall commitment, there is a minimum commitment to invest at least 10% of its assets in sustainable investments with an environmental objective and at least 10% of its assets in sustainable investments with a social objective.

What is the sustainable investment objective of this financial product?

The Fund's sustainable investment objective is to invest its assets in companies worldwide that the Investment Manager expects to contribute positive impact by advancing an environmental or social objective linked to one or more of the UN SDGs, and to deliver returns to shareholders over the long term. The Fund may also invest in investments that the Investment Manager deems to be neutral under its sustainability criteria, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Investment Manager will select companies from a universe of eligible companies that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of the company's contribution to the UN SDGs alongside the Investment Manager's assessment of the company via its proprietary scorecard. The investment process is aligned with the Operating Principles for Impact Management.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Investment Manager is responsible for determining whether an investment meets the criteria of a sustainable investment.

The Investment Manager uses a combination of a revenue based approach in this assessment, by considering whether a certain percentage of the relevant issuer's revenues, capital expenditure or operating expenditure contributes to an environmental or social objective (as applicable), and specific sustainability key performance indicators to assess the investment's contribution to an environmental or social objective (as applicable).The output of the Investment Strategy outlined below is the production of the list of investments that meet the selection criteria, this represents the investment universe. Compliance with the minimum percentage in sustainable investments is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

The Investment Manager uses different sustainability indicators to measure the impact contribution at an investee company level. In particular, the Investment Manager uses a quantitative screening tool to identify companies that derive a certain minimum percentage of their revenues from whose main activity is contributing to an environmental or social objective. In addition, there is a detailed impact assessment of every company via the completion of a proprietary scorecard. The impact scorecard focuses on the impact that a company's products and services are expected to have. The Investment Manager considers different aspects of impact such as: what outcome and UN SDGs the company is contributing to; who is served by the outcome (such as the relevant stakeholder or industry); an assessment of our expected contribution (including Schroders influence and engagement); and consideration of impact risks. The assessment includes tracking Key Performance Indicators (KPIs) that are used to measure and monitor the company's impact over time via an annual review.

Once these steps have been completed, the company and scorecard are then validated and approved by Schroders' Impact Assessment Group (IAG), in order for the company to be eligible for inclusion in the Fund's investible universe. The IAG consists of members from Schroders' impact and sustainable investment teams and portfolio managers from the Investment team.

More details on how the Investment Manager ensures that investments are made with the objective to generate a positive social or environmental impact alongside a financial return within the Fund are available at https://www.schroders.com/en/global/individual/impact-investing/

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.
- The Fund may also apply certain other exclusions in addition to those summarised above.
- Further information on all of the Fund's investment exclusions is to be found under "Sustainability -Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)

- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As part of the investment process, Schroders' proprietary tool is used which incorporates several PAIs as a component of its scoring methodology. All PAI indicators are monitored via Schroders PAI dashboard.

A sustainable investment analyst within the investment team regularly considers the Fund's PAI indicators on behalf of the team via Schroders PAI dashboard. The PAI data is reviewed on a monthly basis and adverse impacts of PAIs relevant to our strategy which may be of concern are flagged.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The investment team's experience and knowledge about companies' histories including the establishment of strong relationships with company management teams allow us to undertake constructive and effective engagements on PAIs.

The investment team holds approximately 600 company meetings a year with a focus on the long-term viability of the company's business model, financials and governance. We typically engage on PAI 1 GHG emissions, PAI 2 Carbon Footprint, PAI 8 Emissions to water, PAI 12 Gender pay gap and PAI 13 Board gender diversity.

We have developed a voting policy in partnership with our corporate governance team. Our team takes all opinions into account, but our analyst makes the ultimate decision regarding how we vote.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs, and to deliver returns to shareholders over the long term, and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Investment Manager will select companies from a universe of eligible companies that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of a company's contribution to the UN SDGs alongside the Investment Manager's assessment of the company's impact via its proprietary impact investment management framework and tools (including an impact scorecard).

The Fund is part of Schroders' Impact Driven strategies. As such, it applies highly selective investment criteria and its investment process is aligned with the Operating Principles for Impact Management which means that an assessment of impact is embedded in the steps of the investment process. All sustainable investments in the Fund are subject to this framework.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to seek to improve sustainability practices and enhance social and environmental impacts generated by underlying investee companies. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund invests at least two-thirds of its assets in equity and equity related securities of companies worldwide, including emerging markets. The Fund typically holds 40 – 80 companies.

The Fund may invest up to 15% of its assets in emerging markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

Investments are composed of companies whose products and services contribute positively to at least one of the UN SDGs. In order to identify companies with a direct link to a UN SDG, the Investment Manager applies a two-step approach:

- The first is a revenue based approach that considers whether a certain percentage of the relevant company's revenues, capital expenditure or operating expenditure contributes to an environmental or social objective (as applicable).

- The second is a detailed impact assessment of the company via the completion of a proprietary impact scorecard. The Investment Manager considers different aspects of impact such as: what outcome and UN SDGs the company is contributing to; who is served by the outcome (such as the relevant stakeholder or industry); an assessment of our expected contribution (including Schroders influence and engagement); and consideration of impact risks. The assessment typically includes Key Performance Indicators (KPIs) that are used to track the company's impact over time.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The company and impact scorecard are then validated and approved by Schroders' Impact Assessment Group (IAG), in order for the company to be eligible for inclusion in the Fund's investible universe. The IAG consists of members from Schroders' impact and sustainable investment teams and portfolio managers from the Investment team. There may be some limited instances where step 2 and the IAG approval may follow subsequently (such as a particularly time sensitive investment).

The Investment Manager has identified three types of companies that will typically be considered for inclusion in the portfolio.

The first type are highly innovative and impactful companies whose business model solves a direct need within the UN SDGs. These are growth companies whose solution to an UN SDG gap can be scaled.

The second type are companies that are already generating revenues that have an impact, but do not articulate or highlight that impact as a deliberate intent. We expect these companies can better articulate and measure their impact. This is expected to be the largest group in the Fund's portfolio.

The third type will tend to have the lowest level of revenue link. These are companies whose business models are transitioning towards high impact activities and where the Investment Manager sees the ability to help guide such companies on that journey with active engagement. This is expected to be the smallest group in the fund's portfolio.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of companies that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies worldwide.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The following binding elements are applied throughout the investment process:

- The Fund is actively managed and invests at least 90% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs, and to deliver returns to shareholders over the long term.

- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal, especially companies that generate revenues from tobacco production or any other part of the tobacco value chain (suppliers, distributors, retailers, licensors), and companies that generate revenues from thermal coal mining and coal fired power generation. The Fund excludes companies that are assessed by Schroders to have breached one or more "global norms" thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Details of the revenue thresholds together with certain other exclusions the Fund applies are listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

- The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.

- As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation and the minimum share of sustainable investments?

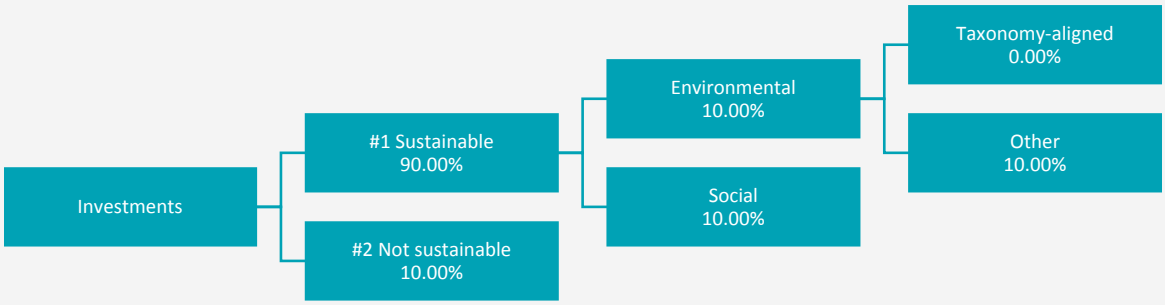
Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its sustainable investment objective are summarised below. The Fund invests at least 90% of its assets in sustainable investments, which means included in **#1 Sustainable** are investments in companies that the Investment Manager expects to contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs, and to deliver returns to shareholders over the long term. Within this overall commitment of 90%, there is a minimum commitment to invest at least 10% of its assets in sustainable investments with an environmental objective and at least 10% of its assets in sustainable investments with a social objective. The minimum proportions stated apply in normal market conditions.

#2 Not sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

This question is not applicable for the Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

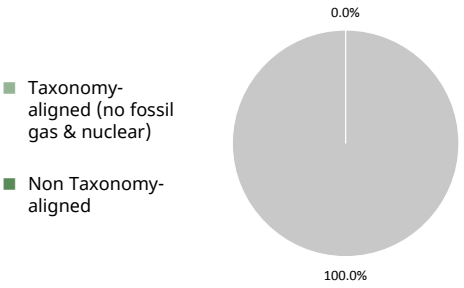
☐ In fossil gas ☐ In nuclear energy

☑ No

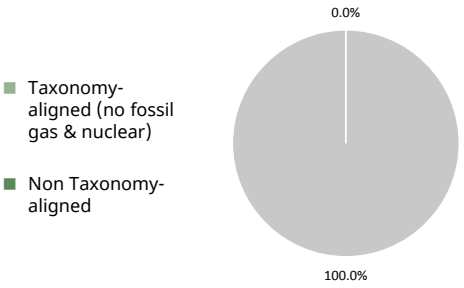
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 10% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with a social objective?

The Fund commits to invest at least 10% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

#2 Not Sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

Where can the methodology used for the calculation of the designated index be found?

This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Equity Income Plus

Legal entity identifier: 549300UPXPBL5GB7UE22

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI All Country World (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI All Country World (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI All Country World (Net TR) index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons, such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered and integrated into the investment process through the stakeholder analysis that is central to the appraisal and selection of companies deemed suitable for the Fund. The process examines the impact of companies' operations and activities across seven stakeholder groups in order to determine the long-term sustainable growth attributes of the companies being analysed, and PAIs directly contribute to this assessment. In assessing an issuer's overall environmental score, PAIs 1, 2, 3 (Greenhouse gas emissions) and 7 (Activities negatively affecting biodiversity-sensitive areas) are included. In assessing an issuer's overall social score, PAIs 12 (Unadjusted gender pay gap) and 13 (Board gender diversity) are included. All PAI indicators are monitored via Schroders' PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in the Schroders Engagement Blueprint, which outlines our approach to active ownership.

Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide. To enhance the dividend yield of the Fund, the Investment Manager will, sell short dated call options over individual securities held by the Fund. This may at times adversely affect the capital growth of fund.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund maintains a higher overall sustainability score than MSCI All Country World (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Investment Manager evaluates issuers against a range of environmental, social and governance factors in order to decide whether an issuer is eligible for the Fund's portfolio. This analysis is performed by global sector specialists and local analyst teams and is supported by Schroders' dedicated Sustainable Investment team. The Investment Manager uses Schroders' proprietary sustainability tools to provide a baseline assessment that contributes to the overall ESG appraisal of a company. Additionally, meetings with company management inform the Investment Manager's view, providing further insights on corporate culture and senior management commitment to corporate social responsibility. While it is not necessary for every investment selected to exhibit positive ESG characteristics, the Investment Manager will seek to ensure that in aggregate, the portfolio demonstrates a positive score relative to the benchmark specified in the investment policy.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI All Country World (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25%* of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI All Country World (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a

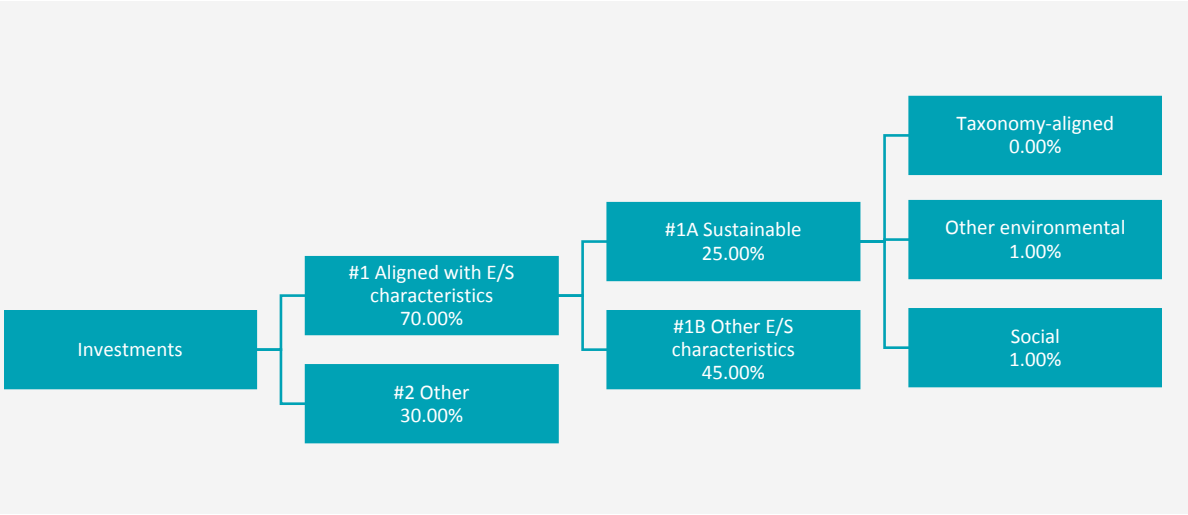
positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

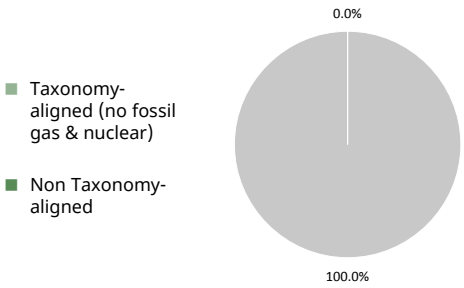
☐ In fossil gas ☐ In nuclear energy

☑ No

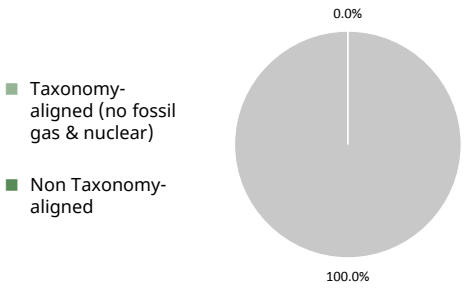
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global High Yield

Legal entity identifier: M6LM7N6UFRSLZ1MG8Z19

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Bloomberg Global HYxCMBSxEMG index USD Hedged 2% cap, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Bloomberg Global HYxCMBSxEMG index USD

Hedged 2% cap by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Bloomberg Global HYxCMBSxEMG index USD.

Hedged 2% cap in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the issuer analysis as part of the investment process. Schroders' proprietary tool is used which incorporates several PAIs as a component of its scoring methodology. For example, PAI 1 (GHG emissions), PAI 2 (Carbon footprint) and PAI 3 (GHG intensity of investee companies), are included as part of a company's overall environmental score, which is used as part of our analysis of issuers within the investment process. All PAI indicators are monitored via Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selective investee companies on a range on environmental related topics, such as climate alignment, targets, and transition plans. These relate to environmental PAIs including PAI 1 (GHG emissions), PAI 2 (Carbon footprint) and PAI 3 (GHG intensity of investee companies). Where issuers are flagged on lack of data availability, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). The securities may be denominated in various currencies and issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund may invest up to 15% of its assets in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may use leverage. The Fund maintains a higher overall sustainability score than the Bloomberg Global HYxCMBSxEMG index USD Hedged 2% cap, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

– The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct

– The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued bysmall and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Bloomberg Global HYxCMBSxEMG index USDHedged 2% cap based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

held in the Fund's portfolio are rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

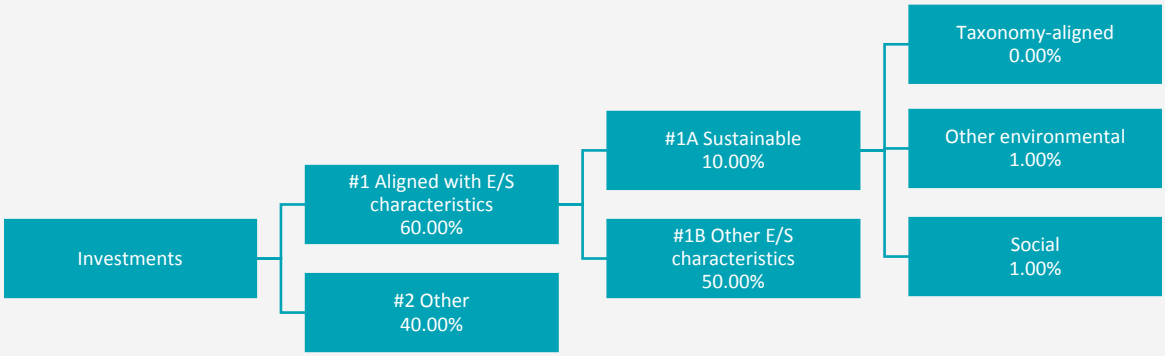
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the Bloomberg Global HYxCMBSxEMG index USD Hedged 2% cap, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

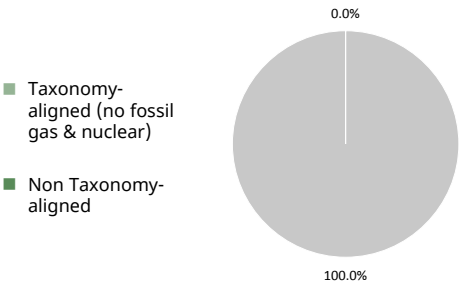
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

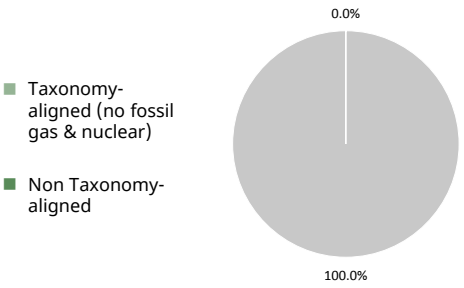
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Inflation Linked Bond

Legal entity identifier: RUBFC6653PDCGJDLQB12

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the ICE BofA Global Governments Inflation-Linked EUR Hedged index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

○ ***The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective(s).What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the ICE BofA Global Governments Inflation-Linked EUR Hedged index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the ICE BofA Global Governments Inflation-Linked EUR Hedged index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls.

The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders' PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. The nature of this Fund is such that it does not meaningfully invest in corporate bonds and hence in practice such corporate exclusions are less important than for other Funds. Nonetheless, those formally applied include Schroders firmwide corporate exclusions regarding:

- Controversial weapons: PAI 14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. All PAI indicators are monitored via Schroders PAI dashboard.

Schroders' proprietary tool incorporates PAIs as a component of its scoring methodology. The attractiveness of a particular sovereign issuer as an investment for the portfolio is based on its ability to pay its bondholders over the long term, so as part of our process we consider the materiality of PAIs 15 (GHG intensity) and 16 (investee countries subject to social violations) as to whether we should regard these as areas of potential concern.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

There tend to be fewer opportunities to engage with sovereign issuers, as opposed to corporate issuers (in which this Fund does not meaningfully invest), but nonetheless we aim to engage with sovereign and supranational issuers on a periodic basis, primarily with respect to their approach to net zero carbon strategies (relating to PAI 15, GHG intensity).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in inflation-linked fixed income securities with an investment grade or, directly or indirectly (including via credit default swaps and credit default swap indices), sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds) issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the ICE BofA Global Governments Inflation-Linked EUR Hedged index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Sustainability factors are assessed – across both sovereign markets and credit allocation decisions – in tandem with macroeconomic factors throughout the Investment Manager's top-down thematic investment process.

In assessing sustainability factors for sovereign issuers, the Investment Manager considers that countries with stable and non-corrupt governments are likely to be more willing and able to service their debts, while political considerations, including the impact of social and governance factors, can influence a country's inflation and currency profile and thus have a material impact on the real value of debt. Environmental impacts – which can

be more pertinent over a longer-term horizon – are also incorporated. The Investment Manager's approach includes the use of Schroders' proprietary sustainability tools to rank countries by measuring their performance against multiple sustainability related indicators.

Credit selection decisions are delegated to the Investment Manager's specialist credit investment teams, who aim to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

- The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct
- The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The primary sources of information used to perform this analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. For corporate issuers, the Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the ICE BofA Global Governments Inflation-Linked EUR Hedged index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

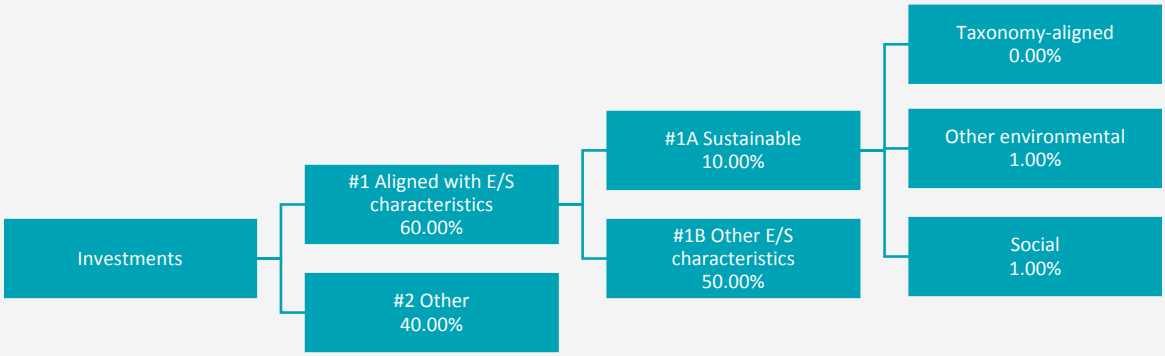
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the ICE BofA Global Governments Inflation-Linked EUR Hedged index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

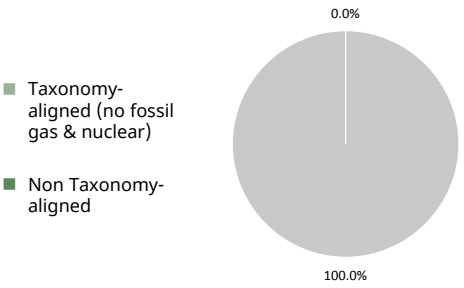
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

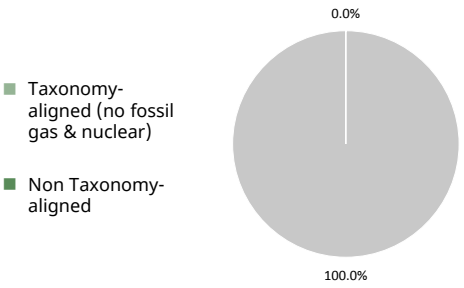
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Innovation

Legal entity identifier: 549300CM155Z70O45B78

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI AC World (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI AC World (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons, such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As part of the investment process, Schroders' proprietary tool is used which incorporates several PAIs as a component of its scoring methodology. For example, PAI 2, 3, 4, 5, 6 (Greenhouse gas emissions) and PAI 4 from Annex 1 Table 2 (Investments in companies without carbon emission reduction initiatives) are included as part of a company's overall environmental score. These PAIs, amongst others, are embedded within our investment process, informing our view on business risk and long-term growth drivers. PAI 13 (Board gender diversity) is also considered as part of our assessment of management quality and company strategy. PAI 6, PAI 4 from Annex 1 Table 2 and PAI 14 from Annex 1 Table 3 (Number of identified cases of severe human rights issues and incidents) are considered relative to industry peers and poor performance issuers on these metrics/ indicators receive higher risk scores in our assessment and form the basis of our engagement activities.

All PAI indicators are monitored via Schroders' PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in the Schroders Engagement Blueprint, which outlines our approach to active ownership.

Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

Disruptive innovation typically means innovation (whether due to technology or otherwise) which changes a particular industry by creating new markets, products or service models. Disruptive innovation can be observed in many industries such as e-commerce, media & communications and banking & payments. The Investment Manager believes that companies benefitting from disruptive innovation, either as the disruptor or otherwise, can experience a rapid acceleration in, and durability of, growth. The Investment Manager seeks to invest in companies benefiting from disruptive innovation before this is fully reflected in market expectations.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The Investment Manager evaluates issuers against a range of environmental, social and governance factors in order to decide whether an issuer is eligible for the Fund's portfolio. This analysis is performed by global sector specialists and local analyst teams and is supported by Schroders' dedicated Sustainable Investment team. The Investment Manager uses Schroders' proprietary sustainability tools to provide a baseline assessment that contributes to the overall ESG appraisal of a company. Additionally, meetings with company management inform the Investment Manager's view, providing further insights on corporate culture and senior management commitment to corporate social responsibility, with third party ESG research used primarily as a benchmarking exercise to confirm proprietary analysis.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

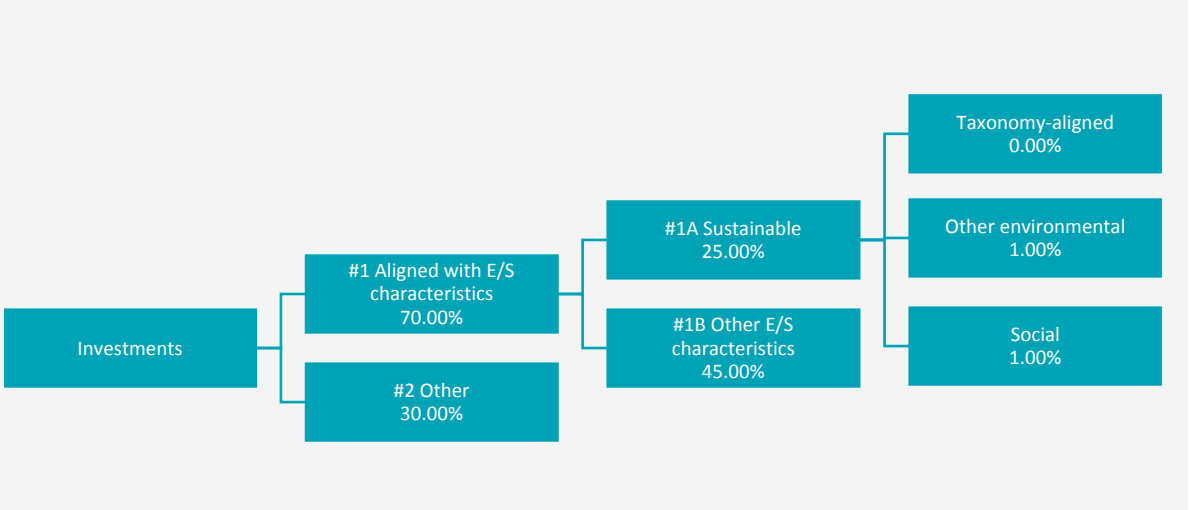
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI AC World (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A.The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

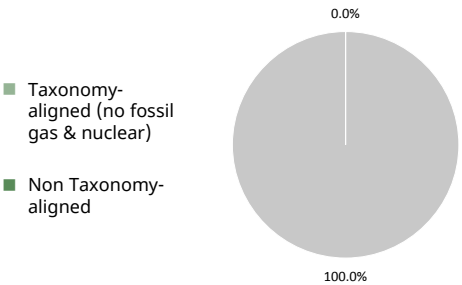
☐ In fossil gas ☐ In nuclear energy

☑ No

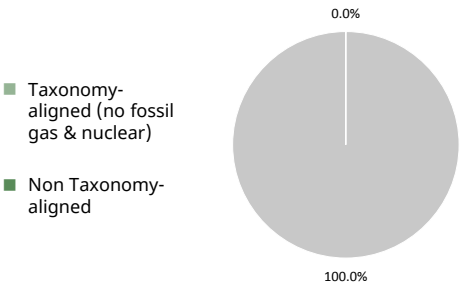
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments. Within this overall commitment, there is no minimum commitment to invest in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of

environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Multi-Asset Balanced

Legal entity identifier: N7RNP3PDV1GDWKYBBM36

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), FTSE Global Convertible Bonds Index (hedged to EUR), based on the Investment Manager's rating system. The component benchmarks (which are each respectively a broad market index) do not take into account the environmental and social characteristics promoted by the Fund. The blend will evolve over time in line with the actual asset allocation of the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the blend of the named benchmarks by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the blend of the named benchmarks that reflects the Fund's asset allocation. Both

scores are based on month-end data over the previous six-month period. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

human rights, anticorruption and antibribery matters.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Fund allocates its assets across multiple underlying strategies. Some PAIs are considered at the Fund level, whilst other PAIs are considered at the level of the underlying strategies by the relevant investment manager where applicable.

Some PAIs are considered as part of pre-investment through the application of exclusions applied at the Fund level. These include:

- Controversial weapons (PAI 14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: (PAI 4 (Exposure to companies active in the fossil fuel sector), PAI 5 (Share of non-renewable energy consumption and production) - applied to relevant underlying strategies.

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

Where appropriate PAIs are also considered through integration in the investment process, specifically the stock selection process in underlying strategies. For example the global equity strategy considers PAIs in the following way:

- Schroders' proprietary tool, which is used as part of screening the investment universe and for providing a maximum that can be invested in each company, incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score, PAIs 1, 2 and 3 are included. In assessing an issuer's overall social score, PAIs 12 and 13 are included.

The investment team monitors all PAI indicators via Schroders' PAI dashboard.

Other PAIs are considered via active ownership, which where relevant is performed indirectly via the underlying investment managers. Where applicable, based on the underlying strategies and the relevant investment manager's own investment process, PAIs are considered post-investment through engagement in line with the approach and expectations set out in Schroders Engagement Blueprint.

Examples of PAIs captured via this approach include PAI 1(GHG emissions, PAI 2 - Carbon footprint, PAI 3 - GHG intensity of investee companies and PAI 13 - Board gender diversity.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests, directly or indirectly through derivatives, in equity and equity-related securities, fixed income securities and Alternative Asset Classes (subject to any restrictions in Appendix I).

Fixed income securities include fixed or floating rate securities such as government bonds, corporate bonds, emerging market debt, directly or indirectly (including via credit default swaps and credit default swap indices) sub-investment grade (fixed and floating rate) securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies), convertible bonds and inflation linked bonds.

The Fund may invest up to 20% of its assets indirectly in commodities. The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk, mitigating losses in falling markets or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, total return swaps and contracts for difference will be used on a continuous basis to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices.

The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund may (exceptionally) hold up to 100% of its assets in cash and Money Market Investments. This will be limited to a maximum of six months (otherwise the Fund will be liquidated). During this period, the Fund will not fall within the scope of MMFR. The Fund may invest up to 10% of its assets in open-ended Investment Funds.

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend* of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), FTSE Global Convertible Bonds Index (hedged to EUR), based on the Investment Manager's rating system.

*The blend will evolve over time in line with the actual asset allocation of the Fund.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The investable universe is assessed using a number of proprietary tools, as well as external rating services.

The Investment Manager will assess companies against a variety of environmental, social and governance metrics, taking into account issues such as climate change, environmental performance, labour standards and board composition. The Investment Manager will decide whether an investment is eligible for inclusion taking into account the overall ESG score. The multi-asset nature of the Fund means that the Investment Manager will analyse the ESG scores across asset classes as an input into the asset allocation of the Fund. The Investment Manager may select investments, which it deems to contribute to one or more environmental or social objectives, provided that they do no significant harm to any other environmental or social objectives.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend of MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), FTSE Global Convertible Bonds Index (hedged to EUR) based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria. The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the MSCI World Index (hedged to EUR), MSCI Emerging Market Index (hedged to EUR), Barclays Global Aggregate Corporate Bond Index (hedged to EUR), Barclays Global High Yield excl CMBS & EMD 2% Index (hedged to EUR), ICE BofA US Treasury Index (hedged to EUR), JPM GBI Emerging Market Index - EM Local (hedged to EUR), JPM EMBI Index EM Hard Currency (hedged to EUR), FTSE Global Convertible Bonds Index (hedged to EUR), and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

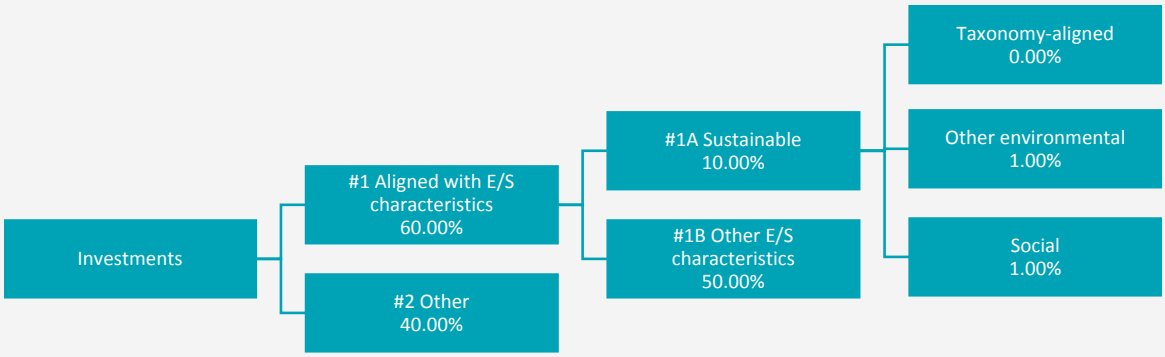
The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's

management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives such as equity index futures may be used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives may therefore be used to attain the Fund's sustainability score in Schroders' proprietary tool which is one of the binding elements of the Fund. The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

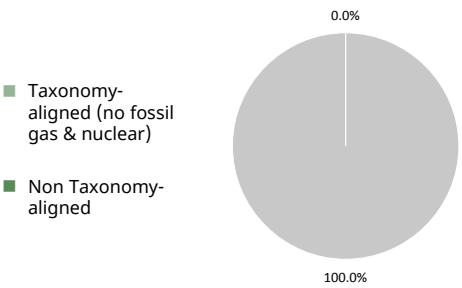
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

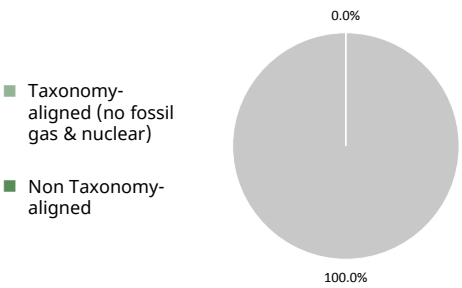
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.



What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Multi-Asset Income

Legal entity identifier: 9P2R2H6H0KS8FL2XQC82

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the 30% MSCI AC World Index (USD), 40% Barclays Global Aggregate Corporate Bond Index (USD) and 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD), based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the 30% MSCI AC World Index (USD), 40% Barclays Global Aggregate Corporate Bond Index (USD) and 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD) by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the 30% MSCI AC World Index (USD), 40% Barclays Global Aggregate Corporate Bond Index (USD) and 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD) in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Fund allocates its assets across multiple underlying strategies. Some PAIs are considered at the Fund level, whilst other PAIs are considered at the level of the underlying strategies by the relevant investment manager where applicable.

Some PAIs are considered as part of pre-investment through the application of exclusions applied at the Fund level. These include:

- Controversial weapons (PAI 14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: (PAI 4 (Exposure to companies active in the fossil fuel sector), PAI 5 (Share of non-renewable energy consumption and production) – applied to relevant underlying strategies.

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

Where appropriate PAIs are also considered through integration in the investment process, specifically the stock selection process in underlying strategies. For example the global equity strategy considers PAIs in the following way:

- Schroders' proprietary tool, which is used as part of screening the investment universe and for providing a maximum that can be invested in each company, incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score, PAIs 1, 2 and 3 are included. In assessing an issuer's overall social score, PAIs 12 and 13 are included.

The investment team monitors all PAI indicators via Schroders' PAI dashboard.

Other PAIs are considered via active ownership, which where relevant is performed indirectly via the underlying investment managers. Where applicable, based on the underlying strategies and the relevant investment manager's own investment process, PAIs are considered post-investment through engagement in line with the approach and expectations set out in Schroders Engagement Blueprint.

Examples of PAIs captured via this approach included PAI 1 (GHG emissions, PAI 2 (Carbon footprint), PAI 3 (GHG intensity of investee companies) and PAI 13 (Board gender diversity).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests directly, or indirectly through derivatives, in equity and equity-related securities, fixed income securities and Alternative Asset Classes (subject to any restrictions provided in Appendix I).

The Fund may invest:

– up to 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in below investment grade (fixed and floating rate) securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) and unrated securities.

– in excess of 50% of its assets in emerging market debt (fixed and floating rate) securities.

– up to 20% of its assets in asset-backed securities and mortgage-backed securities

The Fund may also invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices.

The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher. The Fund may invest up to 10% of its assets in open-ended Investment Funds. The Fund may invest in Money Market Investments and hold cash.

The Fund maintains a higher overall sustainability score than 30% MSCI AC World Index (USD), 40% Barclays Global Aggregate Corporate Bond Index (USD) and 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD) based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The investable universe is assessed using a number of proprietary tools, as well as external rating services.

The Investment Manager will assess companies against a variety of environmental, social and governance metrics, taking into account issues such as climate change, environmental performance, labour standards and board composition. The Investment Manager will decide whether an investment is eligible for inclusion taking into account the overall ESG score. The multi-asset nature of the Fund means that the Investment Manager will analyse the ESG scores across asset classes as an input into the asset allocation of the Fund. The Investment Manager may select investments, which it deems to contribute to one or more environmental or social objectives, provided that they do no significant harm to any other environmental or social objectives.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the 30% MSCI AC World Index (USD), 40% Barclays Global Aggregate Corporate Bond Index (USD) and 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD) based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

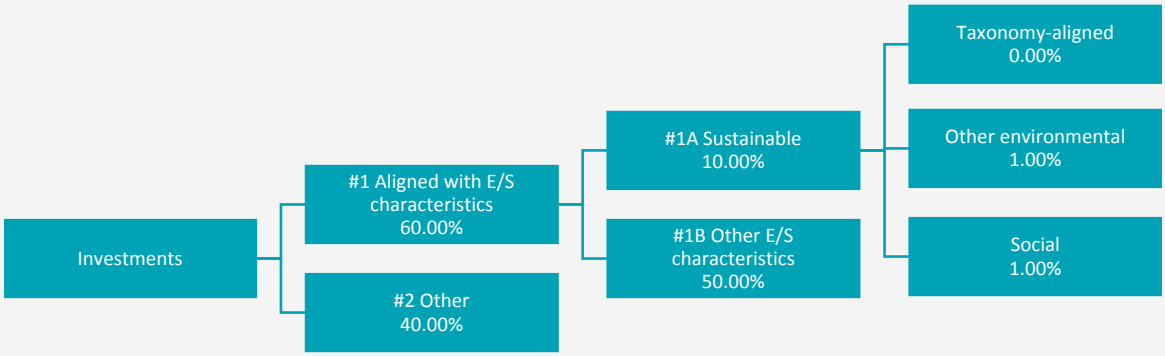
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the 30% MSCI AC World Index (USD), 40% Barclays Global Aggregate Corporate Bond Index (USD) and 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD), and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives such as equity index futures may be used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives may therefore be used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

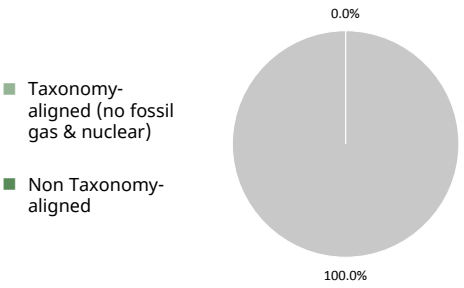
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

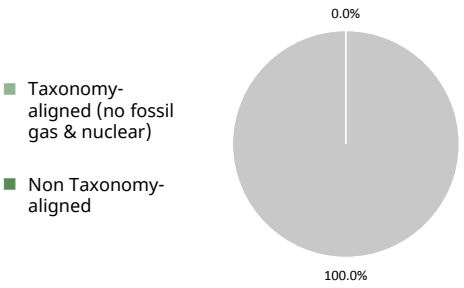
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Recovery

Legal entity identifier: 5493007YGXM8G6PRK203

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **35.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund invests at least 35% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to invest at least 35% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/oursustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold

for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons, such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As part of the investment process, Schroders' proprietary tool is used which incorporates several PAIs as a component of its scoring methodology. For example, PAI 2, 3, 4, 5, 6 (Greenhouse gas emissions) and PAI 4 from Annex 1 Table 2 (Investments in companies without carbon emission reduction initiatives) are included as part of a company's overall environmental score. These PAIs, amongst others, are embedded within our investment process, informing our view on business risk and long-term growth drivers. PAI 13 (Board gender diversity) is also considered as part of our assessment of management quality and company strategy. PAI 6, PAI 4 from Annex 1 Table 2 and PAI 14

from Annex 1 Table 3 (Number of identified cases of severe human rights issues and incidents) are considered relative to industry peers and poor performance issuers on these metrics/ indicators receive higher risk scores in our assessment and form the basis of our engagement activities.

All PAI indicators are monitored via Schroders' PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in the Schroders Engagement Blueprint, which outlines our approach to active ownership.

Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equities of companies worldwide.

The Fund may invest directly in China H Shares and may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund invests at least 35% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The Investment Manager evaluates issuers against a range of environmental, social and governance factors in order to decide whether an issuer is eligible for the Fund's portfolio. This analysis is performed by the portfolio managers and members of the wider Schroder Global Value Team and is supported by Schroders' dedicated Sustainable Investment team. The Investment Manager uses Schroders' proprietary sustainability tools to provide a baseline assessment that contributes to the overall ESG appraisal of a company. Additionally, meetings with company management may inform the Investment Manager's view, providing further insights on corporate culture and senior management commitment to corporate social responsibility. While it is not necessary for every investment selected to exhibit positive ESG characteristics, the Investment Manager will seek to ensure that more than 35% of the portfolio by weight is invested in companies that are sustainable investments. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund invests at least 35% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 35%.The minimum proportions stated apply in normal market conditions.

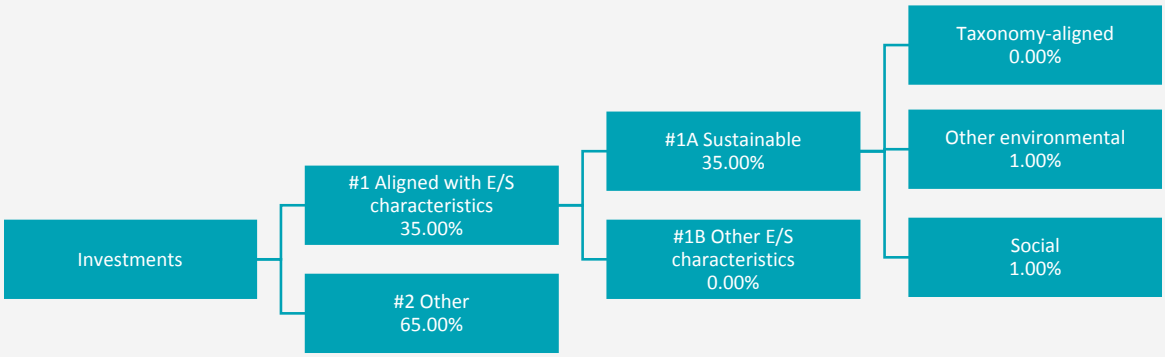
Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as measured by Schroders proprietary tool and/or (ii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment scored by Schroders' proprietary tool is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes any investments that are not aligned with the environmental or social characteristics of the Fund.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and

sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

This question is not applicable for the Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]?

☐ Yes:

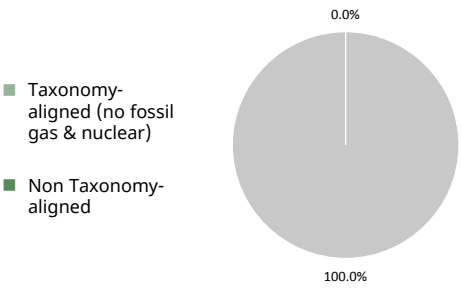
☐ In fossil gas ☐ In nuclear energy

☑ No

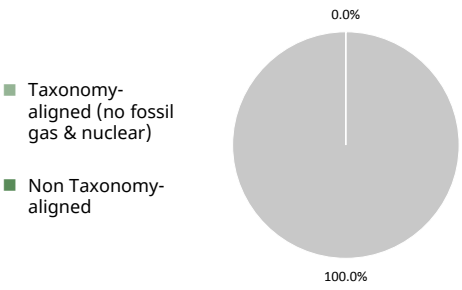
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes any investments that are not aligned with the environmental or social characteristics of the Fund.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Smaller Companies

Legal entity identifier: EENRPPPON8BRF9XDB514

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the S&P Developed Small Cap (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the S&P Developed Small Cap (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the S&P Developed Small Cap (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference (i) to the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and

compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process. Schroders' proprietary tool incorporates several PAIs as a component of their scoring methodology. For example, in assessing an issuer's overall environmental score, factors related to PAIs 1, 2, and 3 (Greenhouse gas emissions) are included. Our fundamental research also plays an important role in considering PAIs, from analysing company reports to meeting with management. For example, corporate governance structures and practises are assessed as part of our fundamental research, related to PAIs 12 (Unadjusted gender pay gap) and 13 (Board gender diversity).
All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in the Schroders Engagement Blueprint, which outlines our approach to active ownership.
The Investment Manager may engage with companies on issues such as net zero targets, related to PAIs 1, 2 and 3. Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may also engage with issuers where the primary focus is to improve reporting.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small sized companies worldwide. Small-sized companies are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of global equity markets.

The Fund may also invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the S&P Developed Small Cap (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Companies in the investment universe are assessed on their governance, environmental and social profile. The Investment Manager performs due diligence on potential holdings and this can include meetings with company management. The Investment Manager aims to identify the impact a business has on society whilst assessing relationships with key stakeholders such as employees, suppliers and regulators. This research is supported by quantitative analysis gained from Schroders' proprietary sustainability tools which are key inputs to assessing how existing and potential investments are meeting the Fund's sustainability criteria.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the S&P Developed Small Cap (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

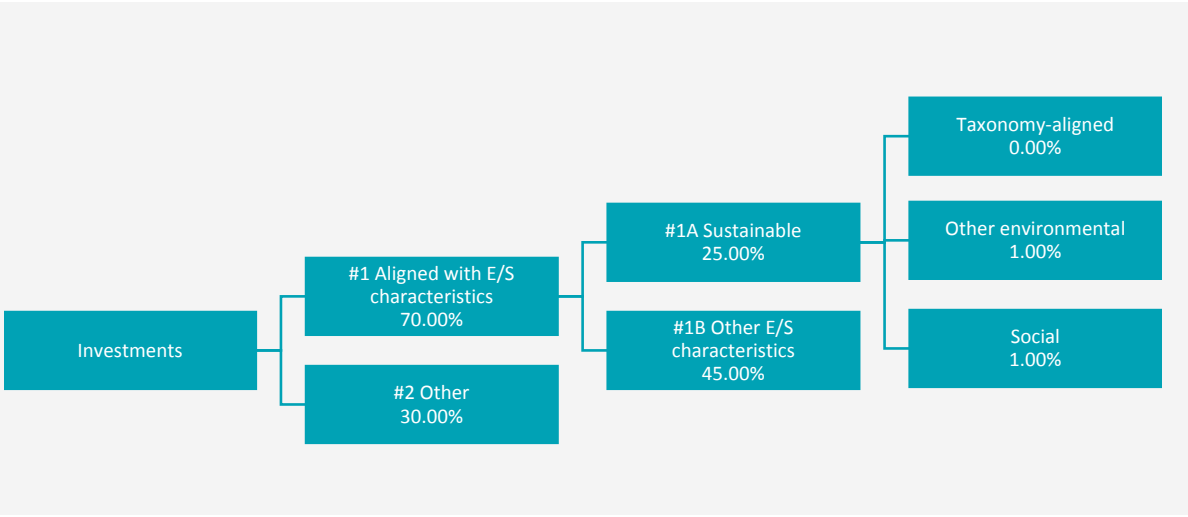
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the S&P Developed Small Cap (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

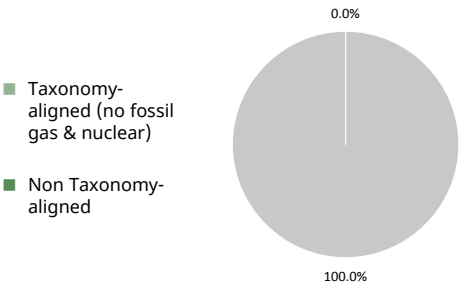
☐ In fossil gas ☐ In nuclear energy

☑ No

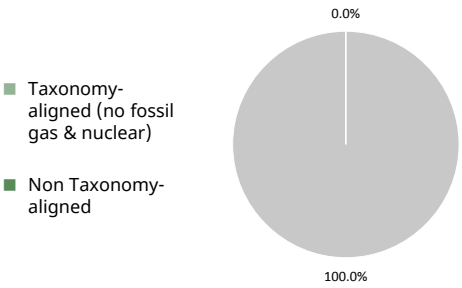
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Sustainable Food and Water

Legal entity identifier: 549300KTYV51C0X44G74

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good Governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☑ Yes	●○ ☐ No
☑ It will make a minimum of **sustainable investments with an environmental objective: 10.00%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **___%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☑ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☑ It will make a minimum of **sustainable investments with a social objective 10.00%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The Fund commits to invest at least 90% of its assets in sustainable investments. Within this overall commitment, there is a minimum commitment to invest at least 10% of its assets in sustainable investments with an environmental objective and at least 10% of its assets in sustainable investments with a social objective.

What is the sustainable investment objective of this financial product?

The Fund's sustainable investment objective is to invest its assets in companies worldwide that the Investment Manager expects to contribute towards the provision of sustainable food and water including water management, agricultural equipment, agricultural inputs, food security, food production, processing, packaging and distribution, food and water retail and recycling. The Fund may also invest in investments that the Investment Manager deems to be neutral under its sustainability criteria, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Investment Manager is responsible for determining whether an investment meets the criteria of a sustainable investment. The Investment Manager uses a revenue based approach in this assessment by considering whether a certain percentage of the relevant issuer's revenues, capital expenditure or operating expenditure contributes to an environmental or social objective (as applicable). The output of the Investment Strategy outlined below is the production of the list of investments that meet the selection criteria, this represents the investment universe. Compliance with the minimum percentage in sustainable investments is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

The Investment Manager uses different sustainability indicators to measure the impact contribution at an investee company level. In particular, the Investment Manager use a quantitative screening tool to identify companies that derive a minimum of 50% of their revenues from whose main activity is associated and are directly contributing to the provision of food and water. The Fund invests in companies involved in making the global food and water system more sustainable, as defined by companies driving positive change across at least one of the six key sustainability areas (food security, GHG emissions, water usage, biodiversity, physical pollution and waste, and health and nutrition). The Investment Manager can manually add companies with revenue exposure below 50% to the Fund's investment universe provided

the companies meet certain criteria. Examples of indicators used to assess sustainability include GHG emissions reduction targets, water usage assessments, records of environmental damage or water usage and product exposure to sustainable food and water solutions.

Subsequently, the Investment Manager uses a number of indicators to derive a sustainability score out of ten for each company. Based on this score, each company is placed within one of the following categories: (1) Best-in-class, (2) Neutral and (3) Laggard. The indicators used to determine the score include but are not limited to metrics such as carbon intensity, board gender diversity and management remuneration. The information is drawn from company management meetings, publicly available corporate information as well as the Investment Manager's internal proprietary tools.

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/oursustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
The Fund's exclusions:
- Fossil fuels: PAIs 1, 2, 3, 4 and 5 (Greenhouse gas emissions) are considered via the application of an exclusion screen where companies that are deemed by the Investment Manager to contribute significantly to climate change are excluded from the investible universe.
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process.
- The Fund considers greenhouse gas emissions, carbon footprint, greenhouse gas intensity of investment companies and activities negatively affecting biodiversity-sensitive areas (PAI 1,2, 3 & 7) in its analysis through the 'environmental management' component of the stakeholder analysis.
As part of our analysis, we consider how a firm is managing its environmental footprint (including its impact on the climate), its negative impact on biodiversity, as well as its potential exposure to the effects of long-term climate change. While no single metric determines the overall assessment of a company's environmental management score, the Fund evaluates a variety of different metrics – from both internal and external data sources (including a Schroders' proprietary tool) – to determine whether a company is adequately managing its climate and environmental risks.
PAIs 12 (Unadjusted gender pay gap) and 13 (Board gender diversity) are considered as part of our investment

process using data from a Schroders' proprietary tool.
All PAI indicators are monitored via Schroders' PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.
The investment team aims to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and activities negatively affecting biodiversity-sensitive areas (PAI 7). Through our engagement activity we seek to understand different areas, such as the speed and scale of emission reduction targets, steps being taken to meet climate goals and management of natural capital risks (i.e., deforestation). We are encouraging companies to set clear emissions reduction targets for all three scopes of emissions and where targets are already set, to confirm these targets are properly integrated into company remuneration policies.

With regard to our deforestation engagement, we are taking a multi-tiered approach to engagement. To meet our commitment to tackling deforestation risks, Schroders has developed a scorecard to build an initial view of the level of companies' exposure to and management of deforestation risks. We are using this scorecard to identify priority engagement companies that have the greatest exposure to commodity-driven deforestation within the sustainable food and water universe. As a first step we are engaging with these companies. Through this, we hope to raise corporate awareness, encourage knowledge sharing on best practice and increase transparency across industries that are exposed to deforestation.
Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments that the Investment Manager expects to contribute towards the provision of sustainable food and water including water management, agricultural equipment, agricultural inputs, food security, food production, processing, packaging and distribution, food and water retail and recycling, and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager seeks to identify companies that derive a minimum of 50% of their revenues from activity that is directly contributing to the provision of food and water. The Fund invests in companies involved in making the global food and water system more sustainable, as defined by companies driving positive change across at least one of the six key sustainability areas (food security, GHG emissions, water usage, biodiversity, physical pollution and waste, and health and nutrition). While the vast majority of companies in the Fund's universe meet this 50% revenue criteria, in certain cases the Investment Manager can manually add companies with revenue exposure below this threshold to the Fund's investment universe. These 'manual additions' are only permitted if these companies meet the following criteria: (i) they are playing critical roles in the food and water transition and are addressing at least one of the five key sustainability areas mentioned; (ii) they are growing the share of revenue that they have exposed to food and water activities; and (iii) approval is given by the Sustainable Investment Team of the Investment Manager.

The Investment Manager applies sustainability criteria when selecting investments for the Fund. Each company in the universe of potential investments is assessed by the Investment Manager against eight categories: (1) management quality; (2) balance sheet sustainability; (3) corporate governance; (4) regulatory risk management; (5) supply chain management; (6) customer management; (7) employee management; and (8) environmental management. The company will receive an overall score out of ten based on the Investment Manager's assessment. Each company is then placed within one of the following categories based on this score:

– 'Lagging' (score of 1 – 3): Companies that show poor corporate governance, poor management quality, weak balance sheet sustainability, poor stakeholder relations, and fail to demonstrate an awareness of ESG issues they face.

– 'Neutral' (score of 4 – 6): Companies that show adequate corporate governance, reasonable management quality, reasonably strong balance sheet sustainability, have reasonable relationships with stakeholders and some awareness of ESG issues. These companies do not exhibit a high level of sustainability risk based on the Investment Manager's assessments , but at the same time are not best in class companies with the potential to maintain market leading growth.

– 'Best-in-class' (score of 7 – 10): Companies that have strong corporate governance, quality management, strong balance sheet sustainability, good relationships with stakeholders and a good awareness and management of sustainability issues. These companies should be able to attract talent, lead the industry in terms of productivity, have strong supply chain links, acting as the 'supplier of choice' for customers, and be mindful of their environmental impact.

The Fund will generally only invest in companies that are rated as 'neutral' or better.

The Investment Manager performs its own analysis of information provided by the companies, including information provided in company sustainability reports and other relevant company material. Third party research is used by the Investment Manager as a secondary consideration, and generally provides a source of challenge or endorsement for its view.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies worldwide.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The following binding elements are applied throughout the investment process:

- The Fund is actively managed and invests at least 90% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the provision of sustainable food and water including water management, agricultural equipment, agricultural inputs, food security, food production, processing, packaging and distribution, food and water retail and recycling.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal, especially companies that generate revenues from tobacco production or any other part of the tobacco value chain (suppliers, distributors, retailers, licensors), and companies that generate revenues from thermal coal mining and coal fired power generation. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Details of the revenue thresholds together with certain other exclusions the Fund applies are listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation and the minimum share of sustainable investments?

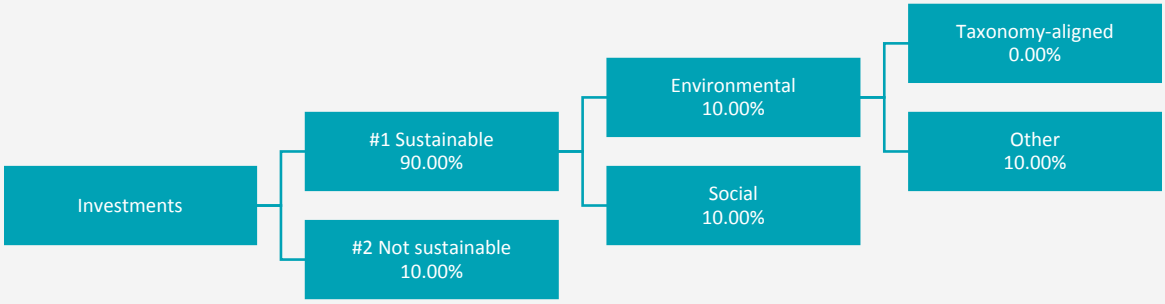
Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its sustainable investment objective are summarised below. The Fund invests at least 90% of its assets in sustainable investments, which means included in **#1 Sustainable** are investments in companies worldwide that the Investment Manager expects to contribute towards the provision of sustainable food and water including water management, agricultural equipment, agricultural inputs, food security, food production, processing, packaging and distribution, food and water retail and recycling. Within this overall commitment of 90%, there is a minimum commitment to invest at least 10% of its assets in sustainable investments with an environmental objective and at least 10% of its assets in sustainable investments with a social objective. The minimum proportions stated apply in normal market conditions.

#2 Not sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

This question is not applicable for the Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's sustainable investments with an environmental objective are aligned with the Taxonomy. Consequently, taxonomy alignment of this Fund's investments has not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately

disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

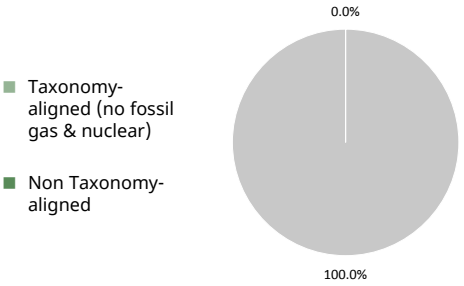
☐ In fossil gas ☐ In nuclear energy

☑ No

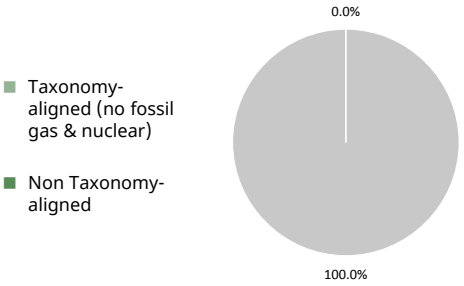
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 10% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with a social objective?

The Fund commits to invest at least 10% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

#2 Not Sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

Where can the methodology used for the calculation of the designated index be found?

This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Sustainable Growth

Legal entity identifier: 0NL7S0Z6XT6U55O6U359

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **50.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 50% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI AC World (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI AC World (Net TR) index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 50% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)

- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons, such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack

of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered and integrated into the investment process through the stakeholder analysis that is central to the appraisal and selection of companies deemed suitable for the Fund. The process examines the impact of companies' operations and activities across seven stakeholder groups in order to determine the long-term sustainable growth attributes of the companies being analysed, and PAIs directly contribute to this assessment. In assessing an issuer's overall environmental score, PAIs 1, 2, 3 (Greenhouse gas emissions) and 7 (Activities negatively affecting biodiversity-sensitive areas) are included. In assessing an issuer's overall social score, PAIs 12 (Unadjusted gender pay gap) and 13 (Board gender diversity) are included. All PAI indicators are monitored via Schroders' PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in the Schroders Engagement Blueprint, which outlines our approach to active ownership.

Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

The Fund typically holds fewer than 50 companies.

The Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

Companies are assessed rated against a set of questions covering issues such as respect for the environment; fair and equitable treatment of employees, suppliers and customers; corporate citizenship; capital allocation and governance. Typically, 20% of questions are related to environmental considerations, 40% to social considerations and 40% to governance considerations.

The Investment Manager will decide on a case by case basis whether a company is eligible for inclusion in the investible universe, taking into account these ratings. While all companies are assessed against all questions, the Investment Manager's decision will focus on those areas that are most relevant to the particular business of that company. In these areas, the company should generally be appraised as at least "strong" in order to be accepted into the investible universe. The eligibility of each company in the Fund's portfolio is then reviewed at least annually.

The primary sources of information used to perform the analysis are Schroders' proprietary sustainability tools, third-party research, unconventional data sourced by our Data Insights Unit, NGO reports and expert networks. The Investment Manager also scrutinises company sustainability reports and other disclosures, which may be complemented by direct engagement with the company during the assessment process.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 30% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies worldwide.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 50% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 30% of the Fund's potential investment universe is excluded from the selection of investments.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

As a result of the application of the Fund's sustainability criteria, at least 30% of the Fund's potential investment universe is excluded from the selection of investments. For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

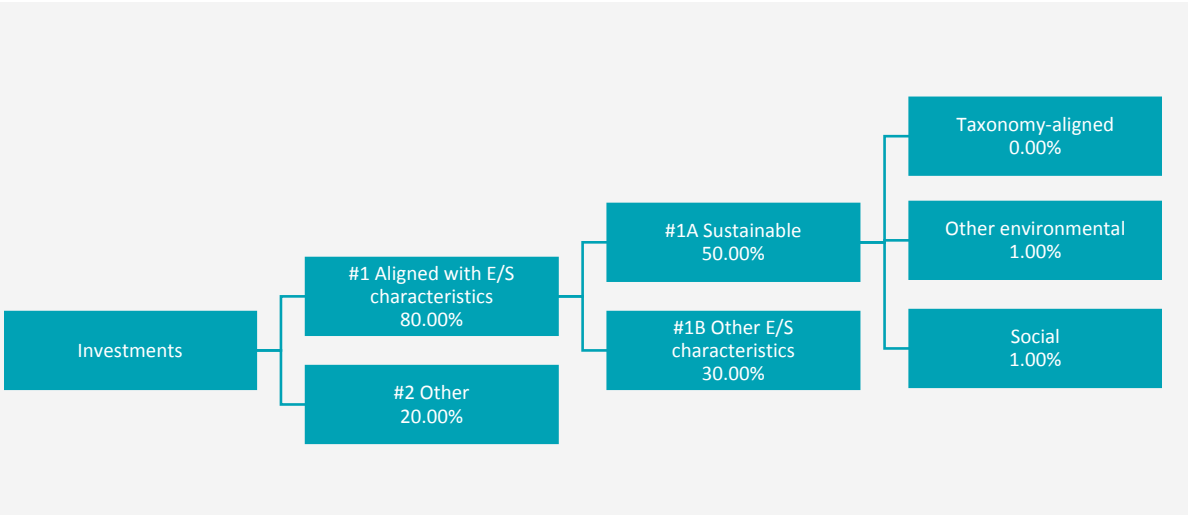
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 80%. The Fund commits to maintain a higher overall sustainability score than the MSCI AC World (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 50% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

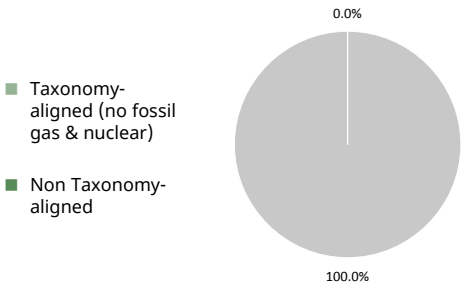
☐ In fossil gas ☐ In nuclear energy

☑ No

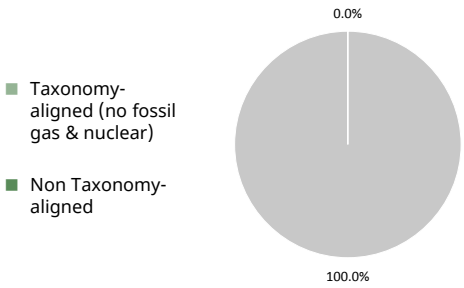
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Sustainable Value

Legal entity identifier: 549300F4GDD1IL4MMG90

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **50.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI World (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 50% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI World (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI World (Net TR) index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 50% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)

- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
- Companies that derive revenues above certain thresholds from fossil fuels extraction and production; PAI 1 emissions (Scope 1, 2, 3 GHG emissions), PAI 2 (Carbon footprint), PAI 3 (Exposure to companies active in the fossil fuel sector), PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework. PAIs are also considered through integration in the investment process via the sustainability framework that every stock in the portfolio must pass in order to be included in the portfolio. All PAI indicators are monitored via Schroders PAI dashboard.
- The framework includes using Schroders proprietary sustainability tools, the assessment of third-party ESG data and on-desk qualitative analysis. Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. For example, PAI 13 (Board gender diversity).
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.
- The Investment Manager may engage with selected issuers held by the Fund on PAIs related to net zero emissions targets or activities related to biodiversity.
- Where issuers are flagged on lack of data availability on PAI 7 (activities negatively affecting biodiversity-sensitive areas), the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.
- Further topics of engagement may include gender equality, which relate to PAI 13 or Emissions to water (PAI 8).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two thirds of its assets in equity and equity related securities of companies worldwide.

The Fund applies a disciplined value investment approach, seeking to invest in a select portfolio of companies that the Investment Manager believes are significantly undervalued relative to their long-term earnings potential.

The Fund maintains a higher overall sustainability score than MSCI World (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Fund may invest in companies that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to three years.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may invest directly in China H-Shares and may invest up to 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

Companies are assessed on a variety of ESG factors including how they treat their stakeholders, governance, and environmental impact. Issuers are analysed in three ways – through research conducted by the Investment Manager, via third party sustainability research and using proprietary sustainability tools. Issuers are not assigned an overall score, but should generally be deemed to have satisfied the Investment Manager's requirements across different assessments in order to be eligible for the Fund's portfolio. The criteria required by the Investment Manager include both quantitative standards (such as minimum ratings) and strong

performance in a qualitative assessment of the sustainability of the issuer's business. The weighting of environmental, social and governance factors may be varied to take into account those most relevant for the issuer's particular industry.

The sources of information used to perform this analysis includes information disclosed by companies as well as Schroders' proprietary sustainability tools and third-party research. The Investment Manager will also typically engage with issuers directly to obtain information and to encourage improvements in sustainability performance.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies worldwide.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI World (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 50% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

As a result of the application of the Fund's sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments. For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 80%. The Fund commits to maintain a higher overall sustainability score than the MSCI World (Net TR) index, and so the Fund's investments that are scored by

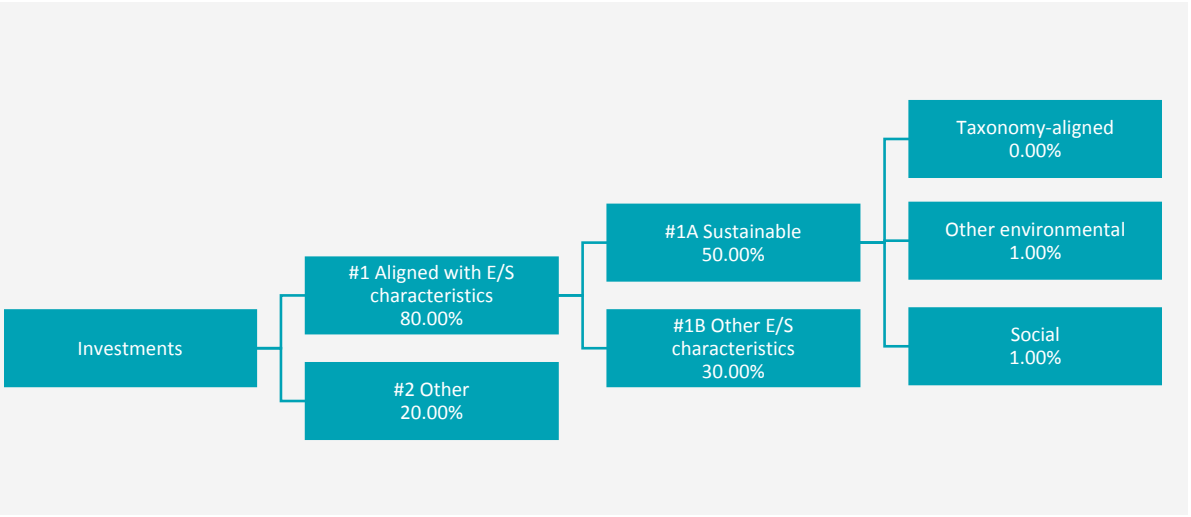
Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 50% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

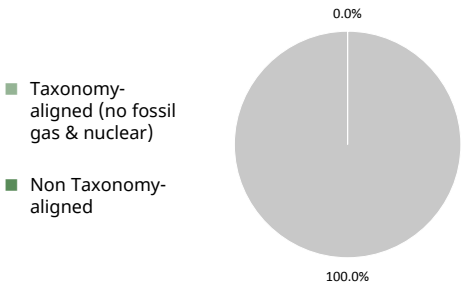
☐ In fossil gas ☐ In nuclear energy

☑ No

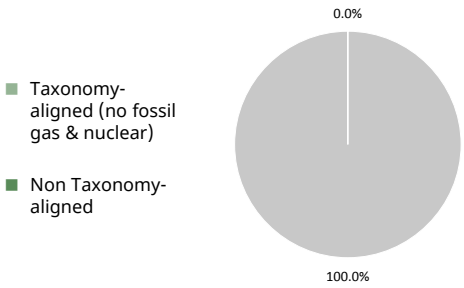
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.



What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Global Target Return

Legal entity identifier: 549300HN4V7MFDKUO097

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend of MSCI World Index (hedged to USD), MSCI Emerging Market Index (unhedged), Bloomberg Global Aggregate Corporate Bond Index (hedged to USD), Bloomberg Global High Yield excl. CMBS & EMD 2% Index (hedged to USD), ICE BofA US Treasury Index (hedged to USD), JPM GBI Emerging Market Index - EM Local (unhedged) and JPM EMBI Index EM Hard Currency (hedged to USD), based on the Investment Manager's rating system. The component benchmarks (which are each respectively a broad market index) do not take into account the environmental and social characteristics promoted by the Fund. The blend will evolve over time in line with the actual asset allocation of the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the blend of the named benchmarks by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the blend of the named benchmarks that reflects the Fund's asset allocation. Both

scores are based on month-end data over the previous six month period. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls.

The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

human rights, anticorruption and antibribery matters.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. At the portfolio level, the Investment Manager considers PAIs within its asset class valuations and return forecasts process. For example, within the investment process the Fund incorporates climate risk in the top-down asset allocation decisions and applies climate change adjustments to their forecasts. Through this way the Investment Manager aims to consider certain environmental PAIs including PAI 1 (GHG emissions), PAI 2 (Carbon footprint) and PAI 3 (GHG intensity of investee companies).

Some PAIs are considered via active ownership, which where relevant is performed indirectly via the underlying investment managers. Where applicable, based on the underlying strategies and the relevant investment manager's own investment process, PAIs are considered post-investment through engagement in line with the approach and expectations set out in Schroders Engagement Blueprint. Examples of PAIs captured via this approach included PAI 1 (GHG emissions), PAI 2 (Carbon footprint), PAI 3 (GHG intensity of investee companies) and PAI 13 (Board gender diversity).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests directly or indirectly (through open-ended Investment Funds and derivatives) in equities and equity related securities, fixed and floating rate securities (issued by governments, government agencies, supra-nationals and companies), mortgage-backed and asset-backed securities, convertible bonds, currencies and Alternative Asset Classes such as real estate, infrastructure and commodity related transferable securities (subject to any restrictions provided in Appendix I). The Fund may invest up to 10% of its assets indirectly in commodities.

The Fund may hold up to 40% of its assets in open-ended Investment Funds. However as the Fund grows the Investment Manager expects the Fund to hold less than 10% in open-ended Investment Funds.

The Fund may invest directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Fund intends to use derivatives (including total return swaps) with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk.

Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 40% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher. The Fund may also invest in Money Market Investments and hold cash.

The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend* of the MSCI World Index (hedged to USD), MSCI Emerging Market Index (unhedged), Bloomberg Global Aggregate Corporate Bond Index (hedged to USD), Bloomberg Global High Yield excl. CMBS & EMD 2% Index (hedged to USD), ICE BofA US Treasury Index (hedged to USD), JPM GBI Emerging Market Index - EM Local (unhedged) and JPM EMBI Index EM Hard Currency (hedged to USD), based on the Investment Manager's rating system.

*The blend will evolve over time in line with the actual asset allocation of the Fund.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The investable universe is assessed using a number of proprietary tools, as well as external rating services.

The Investment Manager will assess companies against a variety of environmental, social and governance metrics, taking into account issues such as climate change, environmental performance, labour standards and board composition. The Investment Manager will decide whether an investment is eligible for inclusion taking into account the overall ESG score. The multi-asset nature of the Fund means that the Investment Manager will analyse the ESG scores across asset classes as an input into the asset allocation of the Fund. The Investment Manager may select investments, which it deems to contribute to one or more environmental or social objectives, provided that they do no significant harm to any other environmental or social objectives.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than a bespoke asset-weighted blend of MSCI World Index (hedged to USD), MSCI Emerging Market Index (unhedged), Bloombergs Global Aggregate Corporate Bond Index (hedged to USD), Bloomberg Global High Yield excl. CMBS & EMD 2% Index (hedged to USD), ICE BofA US Treasury Index (hedged to USD), JPM GBI Emerging Market Index - EM Local (unhedged) and JPM EMBI Index EM Hard Currency (hedged to USD) based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

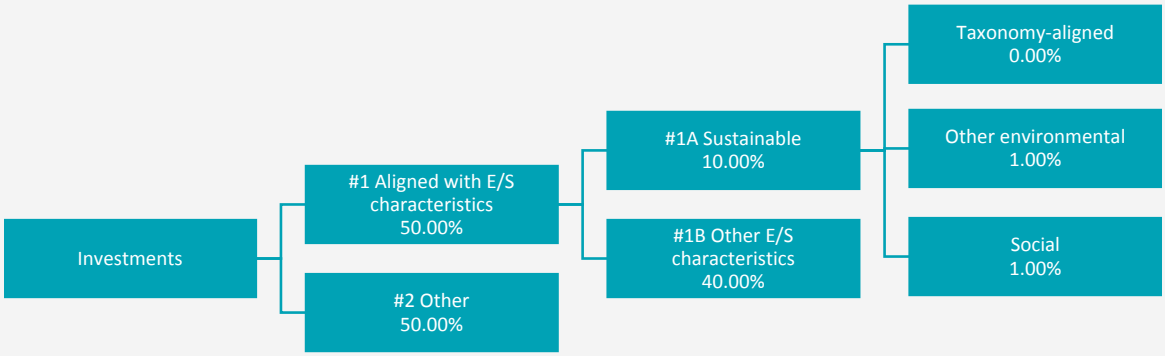
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 50%. The Fund commits to maintain a higher overall sustainability score than a bespoke asset-weighted blend of MSCI World Index (hedged to USD), MSCI Emerging Market Index (unhedged), Bloomberg Global Aggregate Corporate Bond Index (hedged to USD), Bloomberg Global High Yield excl. CMBS & EMD 2% Index (hedged to USD), ICE BofA US Treasury Index (hedged to USD), JPM GBI Emerging Market Index - EM Local (unhedged) and JPM EMBI Index EM Hard Currency (hedged to USD), and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives such as equity index futures may be used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives may therefore be used to attain the Fund's sustainability score in Schroders' proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

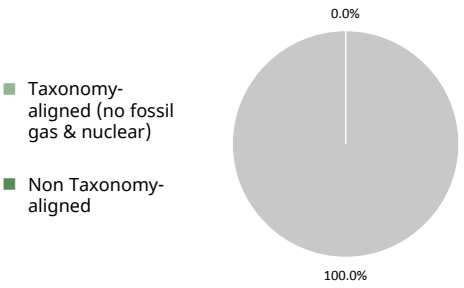
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

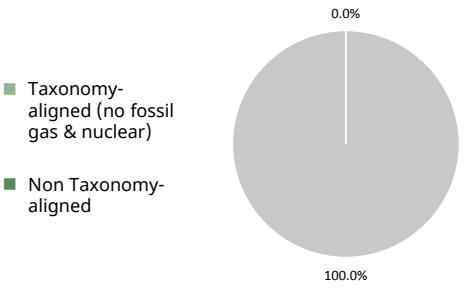
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Healthcare Innovation

Legal entity identifier: 549300TNMZCDF65WHW57

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **80.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund invests at least 80% of its assets in sustainable investments, which are investments in healthcare and medical related companies worldwide that contribute towards the advancement of one or more of the UN SDGs by promoting growth in healthcare provision and medical treatments and improving healthcare standards using an innovation-led approach. The Fund may also invest in investments that the Investment Manager deems to be neutral under its sustainability criteria.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager is responsible for determining whether an investment meets the criteria of a sustainable investment. The output of the Investment Strategy outlined below is the production of the list of investments that meet the selection criteria, this represents the investment universe. Compliance with the minimum percentage in sustainable investments is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

The Fund will invest primarily in companies where at least 75% of the total revenues of such companies are derived directly from healthcare-related activities. The Investment Manager may also invest up to 20% of the Fund's assets in companies where current revenues fall short of this threshold in situations where, for example, the Investment Manager considers the revenue potential of the company to be significant, or, where the impact of the product(s) or services of the company have the potential to advance health, healthcare treatment or cost efficiencies within the healthcare system.

The Investment Manager uses different sustainability indicators to measure the impact contribution at an investee company level. In particular, the Investment Manager assess company's contribution to the UN SDG, by identifying companies with a material or accelerating exposure to activities that contribute to better healthcare outcomes or adjacencies such as fitness and wellbeing that are increasingly recognised as contributors to long-term health. A company's assessment considers a number of factors, including, but not limited to, percentage of healthcare-related activities contributing to revenues and R&D spend or implied in the company valuation.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

The Fund invests at least 80% of its assets in healthcare and medical related companies worldwide that contribute towards the advancement of one or more of the UN SDGs by promoting growth in healthcare provision and medical treatments and improving healthcare standards using an innovation-led approach.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons, such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As a thematic fund orientated towards the provision of healthcare products and services, we pay particular attention to those indicators considered material to companies operating in these industries, specifically PAI 6 (Energy consumption intensity per high impact climate sector), 8 (Emissions to water), and 9 (Hazardous waste and radioactive waste ratio). PAIs 12 (Unadjusted gender pay gap) and 13 (Board gender diversity) are considered using data from our internal proprietary tool.

In addition, Schroders' proprietary tool, which is used as part of screening the investment universe and for providing a maximum that can be invested in each company, incorporates several PAIs as a component of its scoring methodology.

All PAI indicators are monitored via Schroders' PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in the Schroders Engagement Blueprint, which outlines our approach to active ownership.

Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide, which are engaged in healthcare provision, medical services and related products.

The Fund invests at least 80% of its assets in sustainable investments, which are investments in companies that contribute towards the advancement of one or more of the UN SDGs by promoting growth in healthcare provision and medical treatments and improving healthcare standards using an innovation-led approach.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Fund may invest in companies that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to two years.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment

Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

The Investment Manager selects companies that are engaged in healthcare provision, medical services and related products, including in areas such as biotechnology, generics drug manufacture and supply, pharmaceuticals, health insurance and hospital supplies. Investment ideas are identified using proprietary fundamental stock analysis and top-down assessment of the thematic drivers affecting healthcare demand and provision. The Investment Manager's analysis seeks to identify companies that are well placed to develop products or services that address both the rising demand for healthcare and the need to ensure that healthcare systems are more efficiently managed to ease rising cost pressures.

The Investment Manager also uses a proprietary tool to assess the ESG performance of companies before they are selected for the Fund's portfolio. Individual names with poor ESG performance may be included in the portfolio if the Investment Manager believes that a company is on track to improve its ESG performance.

Other sources of information are also used for this analysis including information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' other proprietary tools and third-party data.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies worldwide.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund invests at least 80% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

As a result of the application of the Fund's sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments. For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

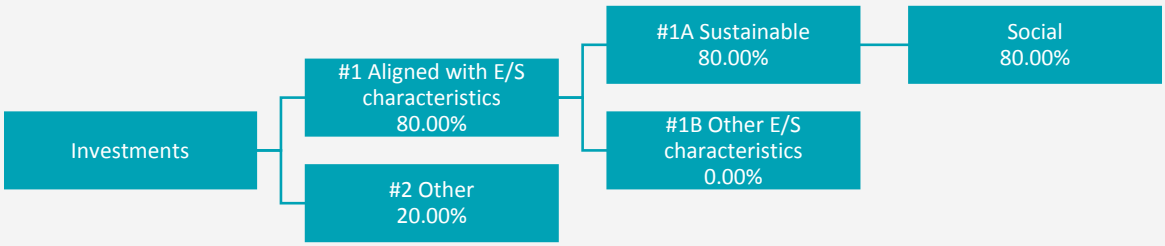
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 80%. The Fund invests at least 80% of its assets in sustainable investments, which means included in #1 and #1A are investments in healthcare and medical related companies worldwide that contribute towards the advancement of one or more of the UN SDGs by promoting growth in healthcare provision and medical treatments and improving healthcare standards using an innovation-led approach. The minimum proportions stated apply in normal market conditions.

#2 Other includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. #2 also includes any investments that are not aligned with the environmental or social characteristics of the Fund.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) or other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world

governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

This question is not applicable for the Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

This question is not applicable for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

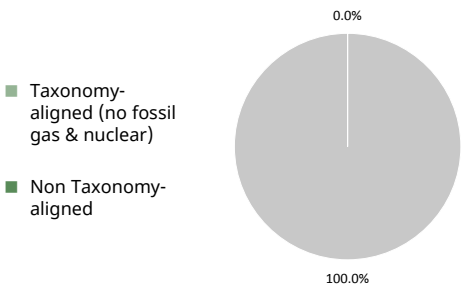
☑ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

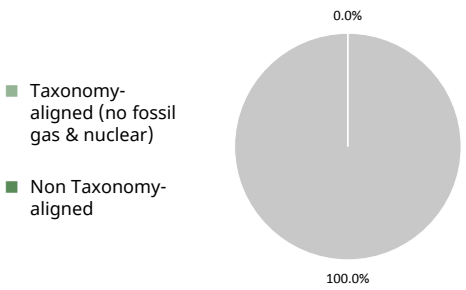
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

This question is not applicable for the Fund.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

This question is not applicable for the Fund.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 80% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. #2 also includes any investments that are not aligned with the environmental or social characteristics of the Fund.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) or other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Indian Equity

Legal entity identifier: EBELRBOUMD6RMWOVEX67

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good Governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI India (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI India (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI India (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack

of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process through the bottom-up stock analysis at a company level. The Asian Equities investment team uses a proprietary tool which provides a framework for analysing a company's relationship with its stakeholders and the sustainability of its business model and covers PAIs 1, 2, 3 and 6 (Greenhouse gas emissions). PAI indicators may be further reviewed via the Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The Investment Manager may engage with selected issuers held by the Fund on PAIs. For example, we aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2,3), procuring renewable energy (PAI 5) and further topics of engagement may include board gender diversity which relates to PAI 13.

Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Indian companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI India (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

In the selection and assessment of potential investment opportunities and holdings, companies are assessed on a proprietary stakeholder-based approach against criteria including, but not limited to (1) good governance practices; (2) impact on the environment and local communities; and (3) fair and equitable treatment of employees, suppliers and customers. Information and insights derived from Schroders' proprietary sustainability tools are utilised in this assessment and due diligence process.

The Investment Manager's proprietary analysis and ongoing engagement with these companies may also help it derive a reasonable level of conviction that concrete steps will be or are being taken to transition out of business segments or practices that have not met the sustainability criteria or improve on their relevant areas of weakness. The Investment Manager may consider these companies eligible for investment ahead of seeing changes in the company's ratings and rankings across both internal and external evaluation metrics.

The primary sources of information used to perform the analysis include the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI India (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI India (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a

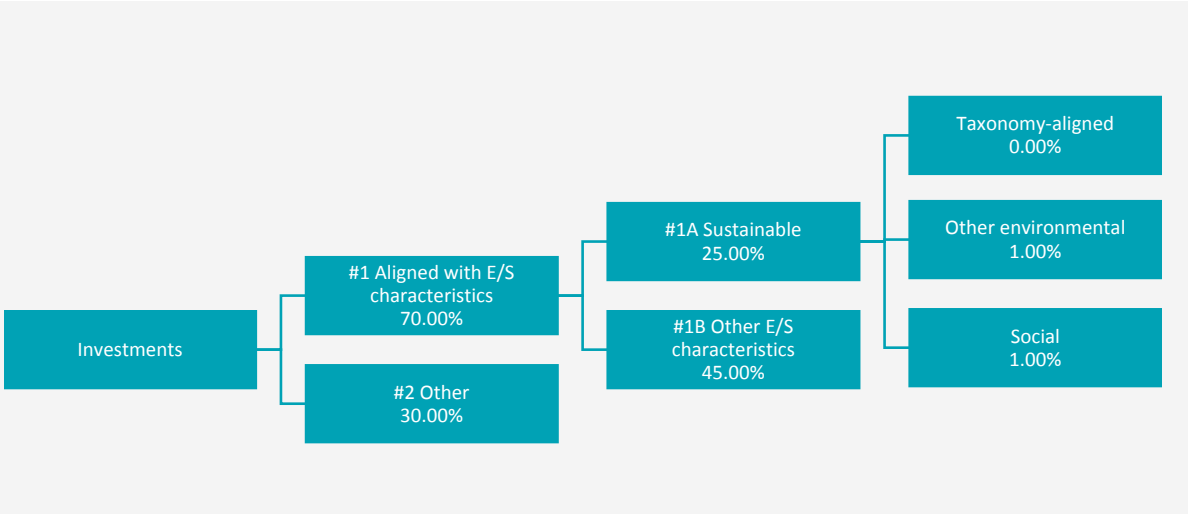
negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

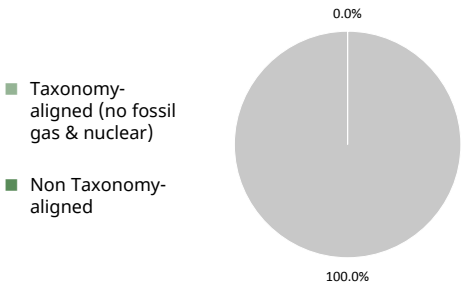
☐ In fossil gas ☐ In nuclear energy

☑ No

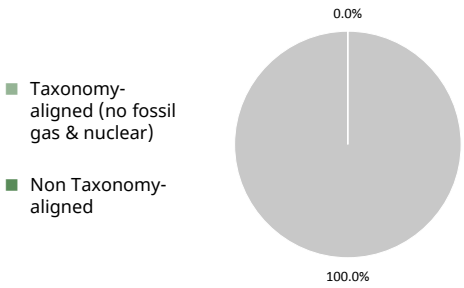
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Indian Opportunities

Legal entity identifier: 549300ISB6Y5VVSIWQ05

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good Governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI India (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI India (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI India (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack

of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process through the bottom-up stock analysis at a company level. The Asian Equities investment team uses a proprietary tool which provides a framework for analysing a company's relationship with its stakeholders and the sustainability of its business model and covers PAIs 1, 2, 3 and 6 (Greenhouse gas emissions). PAI indicators may be further reviewed via the Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The Investment Manager may engage with selected issuers held by the Fund on PAIs. For example, we aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2,3), procuring renewable energy (PAI 5) and further topics of engagement may include board gender diversity which relates to PAI 13.

Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Indian companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI India (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

In the selection and assessment of potential investment opportunities and holdings, companies are assessed on a proprietary stakeholder-based approach against criteria including, but not limited to (1) good governance practices; (2) impact on the environment and local communities; and (3) fair and equitable treatment of employees, suppliers and customers. Information and insights derived from Schroders' proprietary sustainability tools are utilised in this assessment and due diligence process.

The Investment Manager's proprietary analysis and ongoing engagement with these companies may also help it derive a reasonable level of conviction that concrete steps will be or are being taken to transition out of business segments or practices that have not met the sustainability criteria or improve on their relevant areas of weakness. The Investment Manager may consider these companies eligible for investment ahead of seeing changes in the company's ratings and rankings across both internal and external evaluation metrics.

The primary sources of information used to perform the analysis include the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI India (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI India (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis

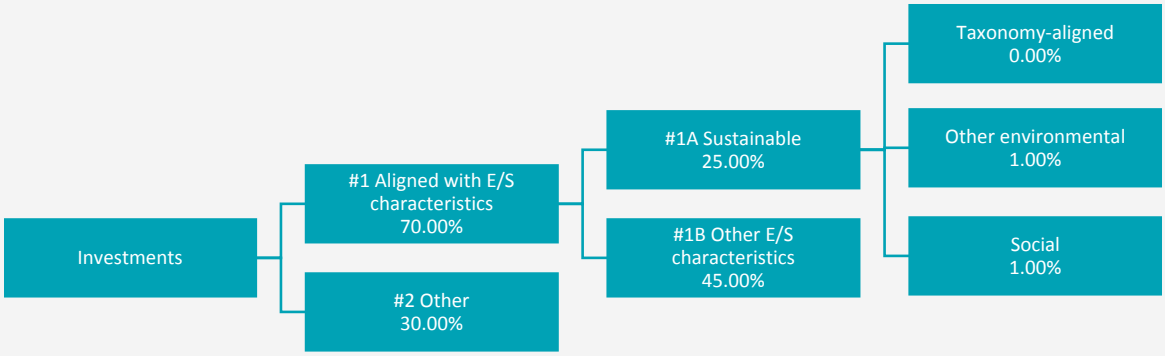
that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

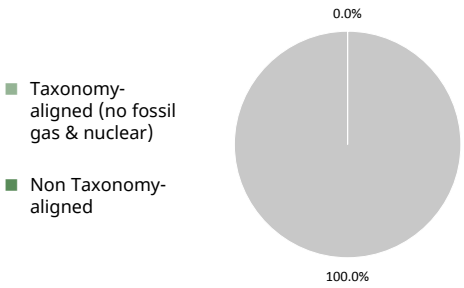
☐ In fossil gas ☐ In nuclear energy

☑ No

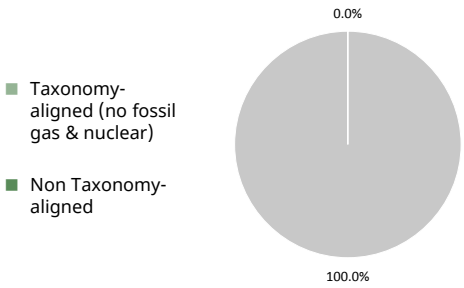
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Italian Equity

Legal entity identifier: KZ4CKIFING0D2JM68769

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the FTSE Italia All-Share (TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the FTSE Italia All-Share (TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the FTSE Italia All-Share (TR) index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste ratio), PAI 10 (Violations of UN Global Compact

principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As part of the issuer level due diligence process, via company analysis from meetings with management teams and on desk analysis of annual reports and statements, several PAIs are considered. These are considered alongside PAIs from Schroders' proprietary tool which incorporates several PAIs as a component of its scoring methodology.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. Engagements may cover a range of topics, including biodiversity challenges in the energy sector and climate and net zero commitments for held companies within the utilities sector. These engagements relate to PAIs 7 (Negatively affecting biodiversity-sensitive areas) and 1, 2, 3 and 5 (GHG emissions, Carbon Footprint, GHG intensity of investee company and Share of non-renewable energy consumption and production).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least 70% of its assets in a concentrated range (typically fewer than 50 companies) of equity and equity related securities of Italian companies. The Fund invests at least 25% of these assets (which corresponds to 17.5% of the Fund's assets) in equity and equity related securities of Italian companies that are not included in FTSE MIB index or other equivalent indices and at least 5% of these assets (which corresponds to 3.5% of the Fund's assets) in equity and equity related securities of Italian companies that are not included in the FTSE MIB and FTSE MID CAP indexes or other equivalent indices.

The Fund may invest up to 10% of its assets in securities issued by, or entered into with, the same company or companies belonging to the same group.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the FTSE Italia All-Share (TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Companies in the investment universe are assessed on their governance, environmental and social profile. The Investment Manager performs due diligence on potential holdings and this can include meetings with company management. The Investment Manager aims to identify the impact a business has on society whilst assessing relationships with key stakeholders such as employees, suppliers and regulators. This research is supported by quantitative analysis gained from Schroders' proprietary sustainability tools which are key inputs to assessing how existing and potential investments are meeting the Fund's sustainability criteria.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the FTSE Italia All-Share (TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the FTSE Italia All-Share (TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis

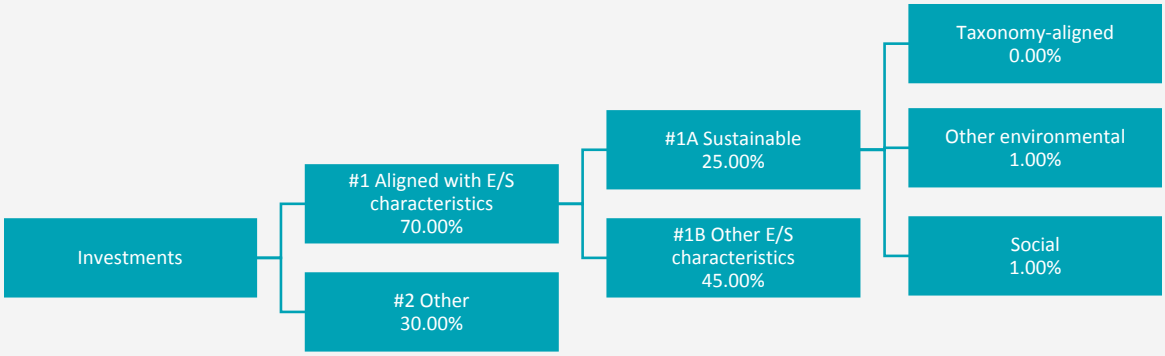
that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

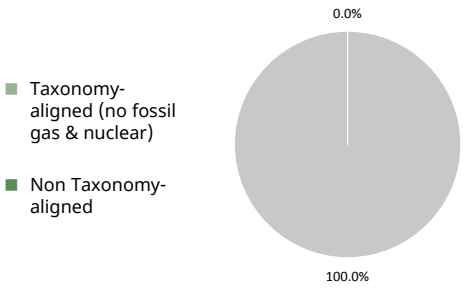
☐ In fossil gas ☐ In nuclear energy

☑ No

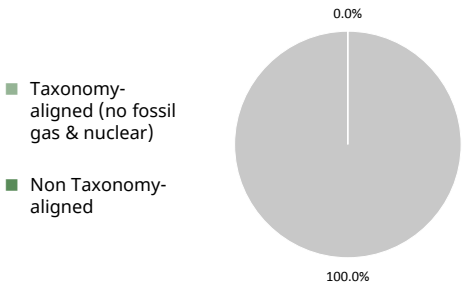
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Japanese Equity

Legal entity identifier: CJJRRIDG3Y95POYRD382

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Tokyo Stock Price Index Net TR, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Tokyo Stock Price Index Net TR by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Tokyo Stock Price Index Net TR in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and

compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process. PAIs are considered through our ESG integrated process in both the analysis of individual companies and portfolio construction. Individual analysts are primarily responsible for financial forecasts and ESG assessment through the use of Schroders proprietary tools. The analysts' views on ESG factors covering multiple PAIs are quantified by our analysts, alongside fundamental financial factors.
All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in the Schroders Engagement Blueprint, which outlines our approach to active ownership.
The Investment Manager may engage with selected companies on issues such as net zero targets, related to PAIs 1, 2 and 3. Social aspects including board gender diversity (PAI 13) and unadjusted gender pay gap (PAI 12), are also increasingly focused topics for engaging with Japanese companies. Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may also engage with issuers where the primary focus is to improve reporting.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Japanese companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Tokyo Stock Price Index Net TR, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The investable universe is assessed using a number of proprietary tools, as well as external rating services.

The Investment Manager performs due diligence on all potential holdings, including meetings with management, and assesses the company's governance, environmental and social profile across a range of factors. This process is supported by quantitative analysis provided by Schroders' proprietary sustainability tools, which are key inputs to assess how existing and potential investments for the portfolio are meeting the Fund's sustainability criteria. In some cases, companies which fall below our sustainability criteria may still be eligible for investment if, as a result of proprietary analysis and ongoing engagement with management, the Investment Manager believes the company will meet our sustainability criteria within a realistic time horizon.

For a company to be eligible to be held in the Fund, it is expected to show a commitment to its stakeholders, including customers, employees, suppliers, shareholders and regulators. The Fund selects companies whose businesses demonstrate good governance and aim to treat stakeholders equitably.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Tokyo Stock Price Index Net TR based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

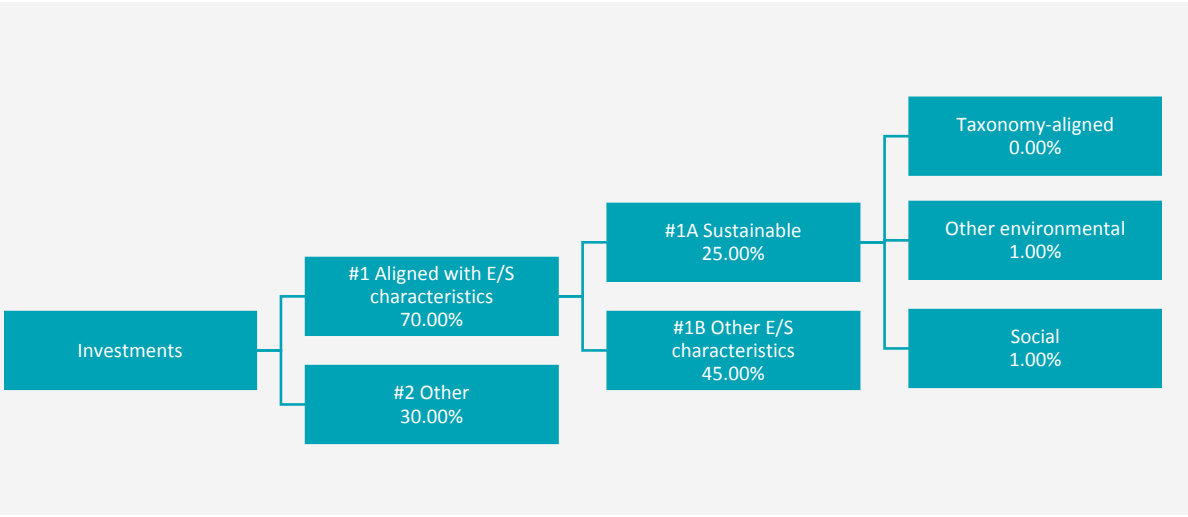
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the Tokyo Stock Price Index Net TR, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

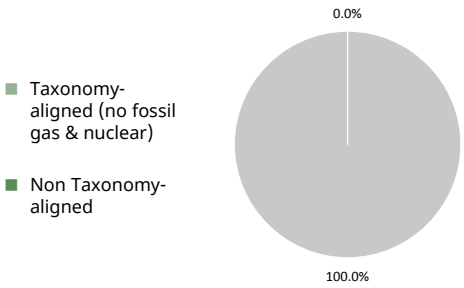
☐ In fossil gas ☐ In nuclear energy

☑ No

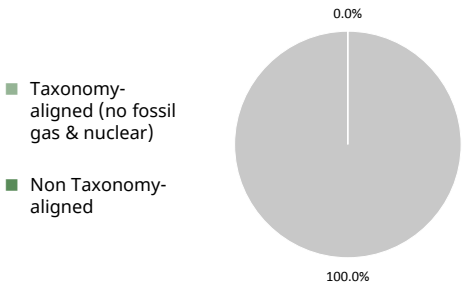
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Japanese Opportunities

Legal entity identifier: GGI5GYUNQ0FQO74VII96

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Tokyo Stock Price Index Net TR, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Tokyo Stock Price Index Net TR by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Tokyo Stock Price Index Net TR in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment demonstrates either (i) a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and

compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process. PAIs are considered through our ESG integrated process in both the analysis of individual companies and portfolio construction. Individual analysts are primarily responsible for financial forecasts and ESG assessment through the use of Schroders proprietary tools. The analysts' views on ESG factors covering multiple PAIs are quantified by our analysts, alongside fundamental financial factors.
All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in the Schroders Engagement Blueprint, which outlines our approach to active ownership.
The Investment Manager may engage with selected companies on issues such as net zero targets, related to PAIs 1, 2 and 3. Social aspects including board gender diversity (PAI 13) and unadjusted gender pay gap (PAI 12), are also increasingly focused topics for engaging with Japanese companies. Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may also engage with issuers where the primary focus is to improve reporting.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Japanese companies.

The Fund seeks to identify and invest in undervalued stocks by estimating their fair value based on predicted returns over the medium to long term.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Tokyo Stock Price Index Net TR, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The investable universe is assessed using a number of proprietary tools, as well as external rating services.

The Investment Manager performs due diligence on all potential holdings, including meetings with management, and assesses the company's governance, environmental and social profile across a range of factors. This process is supported by quantitative analysis provided by Schroders' proprietary sustainability tools, which are key inputs to assess how existing and potential investments for the portfolio are meeting the Fund's sustainability criteria. In some cases, companies which fall below the sustainability criteria may still be eligible for investment if, as a result of proprietary analysis and ongoing engagement with management, the Investment Manager believes the company will meet the sustainability criteria within a realistic time horizon.

For a company to be eligible to be held in the Fund, it is expected to show a commitment to its stakeholders, including customers, employees, suppliers, shareholders and regulators. The Fund selects companies whose businesses demonstrate good governance and aim to treat stakeholders equitably.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Tokyo Stock Price Index Net TR based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

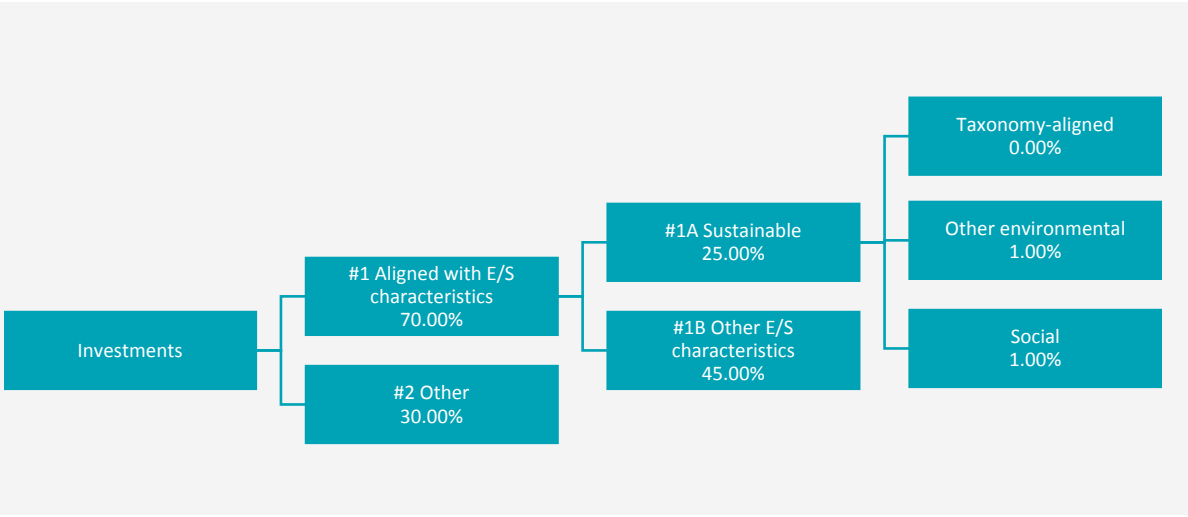
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the Tokyo Stock Price Index Net TR, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

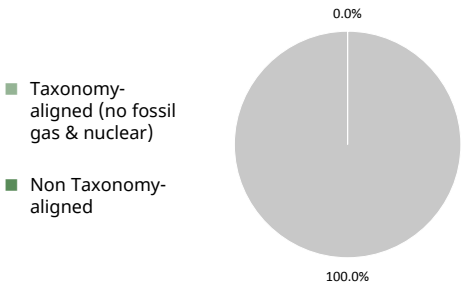
☐ In fossil gas ☐ In nuclear energy

☑ No

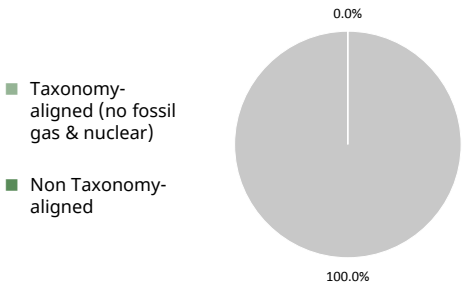
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Japanese Smaller Companies

Legal entity identifier: S39CY7QBBMJNLVU5NJ44

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Russell Nomura Small Cap (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Russell Nomura Small Cap (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Russell Nomura Small Cap (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and

compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process.
PAIs are considered through our ESG integrated process in both the analysis of individual companies and portfolio construction. Individual analysts are primarily responsible for financial forecasts and ESG assessment through the use of Schroders proprietary tools. The analysts' views on ESG factors covering multiple PAIs are quantified by our analysts, alongside fundamental financial factors.
All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in the Schroders Engagement Blueprint, which outlines our approach to active ownership.
The Investment Manager may engage with selected companies on issues such as net zero targets, related to PAIs 1, 2 and 3. Social aspects including board gender diversity (PAI 13) and unadjusted gender pay gap (PAI 12), are also increasingly focused topics for engaging with Japanese companies. Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may also engage with issuers where the primary focus is to improve reporting.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small-sized Japanese companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the Japanese equities market.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Russell Nomura Small Cap (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The investable universe is assessed using a number of proprietary tools, as well as external rating services.

The Investment Manager performs due diligence on all potential holdings, including meetings with management, and assesses the company's governance, environmental and social profile across a range of factors. This process is supported by quantitative analysis provided by Schroders' proprietary sustainability tools, which are key inputs to assess how existing and potential investments for the portfolio are meeting the Fund's sustainability criteria. In some cases, companies which fall below our sustainability criteria may still be eligible for investment if, as a result of proprietary analysis and ongoing engagement with management, the Investment Manager believes the company will meet our sustainability criteria within a realistic time horizon.

For a company to be eligible to be held in the Fund, it is expected to show a commitment to its stakeholders, including customers, employees, suppliers, shareholders and regulators. The Fund selects companies whose businesses demonstrate good governance and aim to treat stakeholders equitably.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Russell Nomura Small Cap (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the Russell Nomura Small Cap (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a

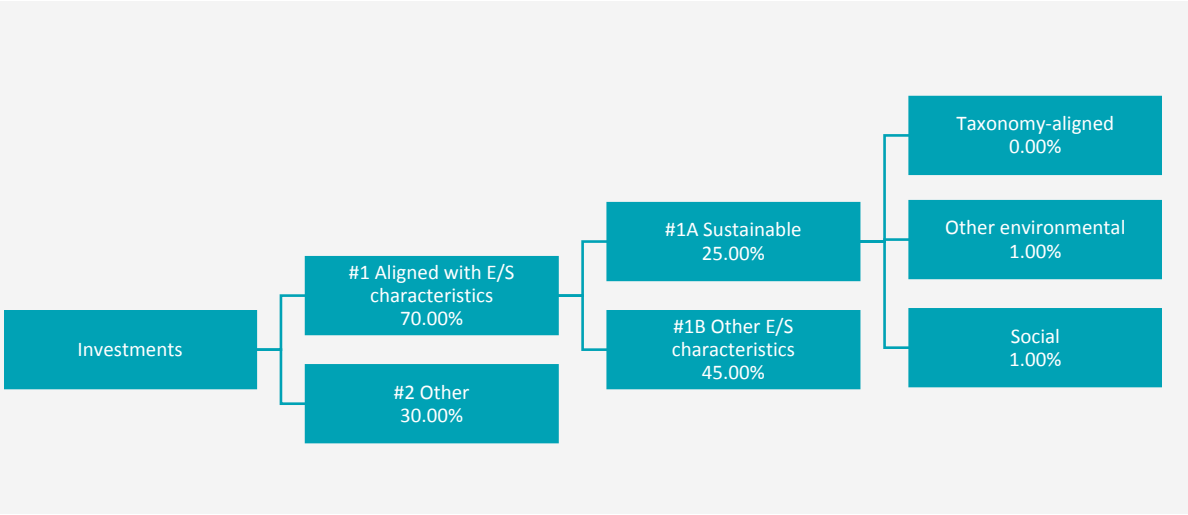
positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

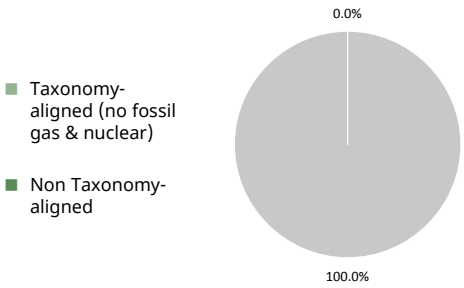
☐ In fossil gas ☐ In nuclear energy

☑ No

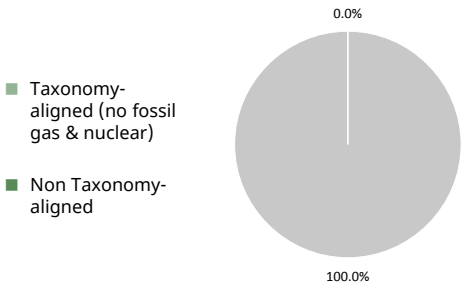
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Multi-Asset Growth and Income

Legal entity identifier: D57GRPRBLPPG0AOY4K34

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the 30% MSCI AC World Index (USD), 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD), 30% FTSE Convertible Global Focus index (USD) and 10% Barclays Global Aggregate Bond Index (USD), based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the 30% MSCI AC World Index (USD), 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD), 30% FTSE Convertible Global Focus index (USD) and 10% Barclays Global Aggregate Bond Index (USD) by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the 30% MSCI AC World Index (USD), 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD), 30% FTSE Convertible Global Focus index (USD) and 10% Barclays Global Aggregate Bond Index (USD) in Schroders' proprietary

tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

human rights, anticorruption and antibribery matters.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes, the Investment Manager's approach to considering principal adverse impacts on sustainability factors involves classifying the indicators into three categories:

The Fund allocates its assets across multiple underlying strategies. Some PAIs are considered at the Fund level, whilst other PAIs are considered at the level of the underlying strategies by the relevant investment manager where applicable.

Some PAIs are considered as part of pre-investment through the application of exclusions applied at the Fund level. These include:

- Controversial weapons (PAI 14 - Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: (PAI 4 (Exposure to companies active in the fossil fuel sector), PAI 5 (Share of non-renewable energy consumption and production) – applied to relevant underlying strategies.

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

Where appropriate PAIs are also considered through integration in the investment process, specifically the stock selection process in underlying strategies. For example the global equity strategy considers PAIs in the following way:

- Schroders' proprietary tool, which is used as part of screening the investment universe and for providing a maximum that can be invested in each company, incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score, PAIs 1, 2 and 3 are included. In assessing an issuer's overall social score, PAIs 12 and 13 are included.

The investment team monitors all PAI indicators via Schroders' PAI dashboard.

Other PAIs are considered via active ownership, which where relevant is performed indirectly via the underlying investment managers. Where applicable, based on the underlying strategies and the relevant investment manager's own investment process, PAIs are considered post-investment through engagement in line with the approach and expectations set out in Schroders Engagement Blueprint.

Examples of PAIs captured via this approach included PAI 1 (GHG emissions, PAI 2 (Carbon footprint), PAI 3 (GHG intensity of investee companies) and PAI 13 (Board gender diversity).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests directly or indirectly through derivatives in equity and equity-related securities, fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide in various currencies and Alternative Asset Classes (subject to any restrictions provided in Appendix I).

The Fund may invest:

– up to 50% directly or indirectly (including via credit default swaps and credit default swap indices) in sub-investment grade securities (being securities with a credit rating below investment grade as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

– up to 20% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Fund may invest directly in China H-Shares and may invest less than 15% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext. The Fund may also invest up to 10% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The exposure to Alternative Asset Classes is taken through eligible assets as described in Appendix III of this Prospectus.

The Fund intends to use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, the aim is to use total return swaps and contracts for difference on a temporary basis in market conditions including but not limited to during periods of expanding global economic growth and rising inflation or elevated geopolitical risk, or when credit spreads are expected to widen such during periods of falling economic growth, rising interest rates or elevated geopolitical risk. Contracts for difference and total return swaps are intended to be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher.

The Fund may invest in Money Market Investments and hold cash. The Fund may invest up to 10% of its assets in open-ended Investment Funds.

The Fund maintains a higher overall sustainability score than 30% MSCI AC World Index (USD), 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD), 30% FTSE Convertible Global Focus index (USD) and 10% Barclays Global Aggregate Bond Index (USD), based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The investable universe is assessed using a number of proprietary tools, as well as external rating services.

The Investment Manager will assess companies against a variety of environmental, social and governance metrics, taking into account issues such as climate change, environmental performance, labour standards and board composition. The Investment Manager will decide whether an investment is eligible for inclusion taking into account the overall ESG score. The multi-asset nature of the Fund means that the Investment Manager will analyse the ESG scores across asset classes as an input into the asset allocation of the Fund. The Investment Manager may select investments, which it deems to contribute to one or more environmental or social objectives, provided that they do no significant harm to any other environmental or social objectives.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the 30% MSCI AC World Index (USD), 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD), 30% FTSE Convertible Global Focus index (USD) and 10% Barclays Global Aggregate Bond Index (USD) based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental

or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the 30% MSCI AC World Index (USD), 30% Barclays Global High Yield excl CMBS & EMG 2% index (USD), 30% FTSE Convertible Global Focus index (USD) and 10% Barclays Global Aggregate Bond Index (USD), and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments, is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

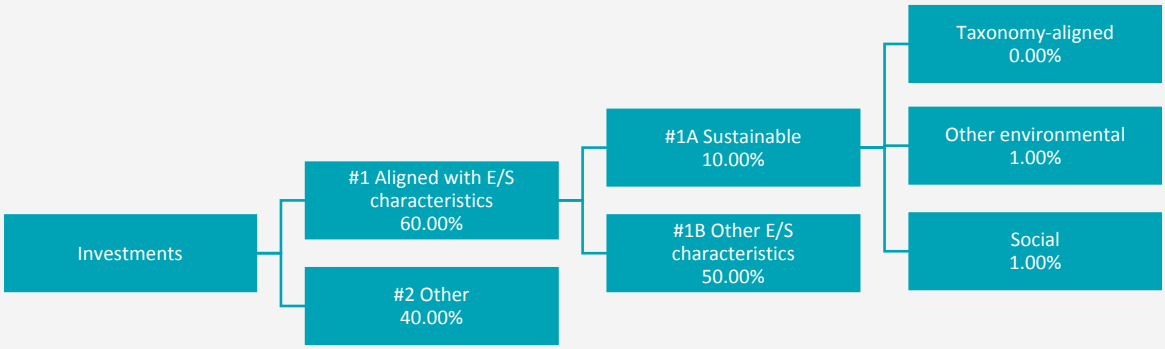
The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes

reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Derivatives such as equity index futures may be used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives may therefore be used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

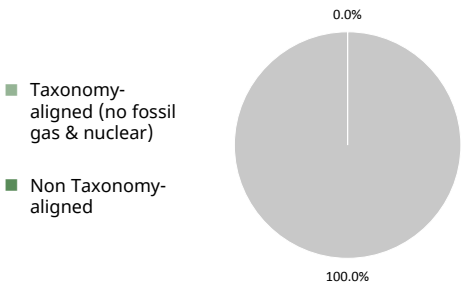
☐ In fossil gas ☐ In nuclear energy

☑ No

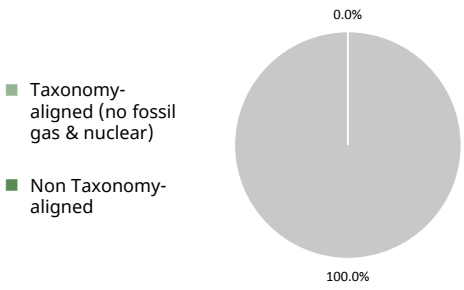
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Nordic Micro Cap

Legal entity identifier: 549300LG1HXZURKG0379

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI Nordic Micro Cap (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI Nordic Micro Cap (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI Nordic Micro Cap (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As part of the issuer level due diligence process, via company analysis from meetings with management teams and on desk analysis of annual reports and statements, several PAIs are considered.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. Engagements may include human rights with companies in the technology sector, relating to PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of micro-sized Nordic companies. These are companies which, at the time of purchase, are considered to be in the bottom 10% by market capitalisation of the Nordic equities market.

The Fund may invest up to 10% of its assets in eligible unlisted transferable securities. Portfolio construction is based on fundamental research, with a bias towards investing in companies that the investment manager considers are well-managed, entrepreneurial businesses that can grow in the long term.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Nordic Micro Cap (Net TR) index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials. This involves:

– The inclusion of issuers that demonstrate stable and improving sustainability trajectories, and issuers demonstrating good governance based on the Investment Manager's sustainability rating methodology.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, meetings with company management and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI Nordic Micro Cap (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

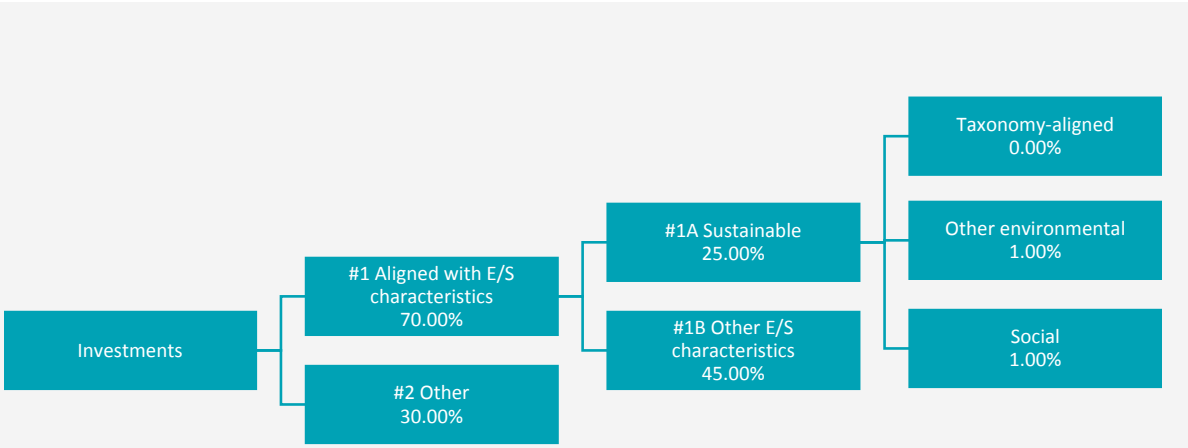
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI Nordic Micro Cap (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

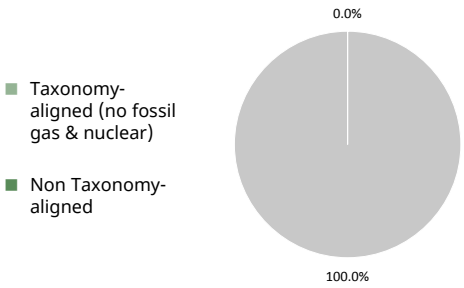
☐ In fossil gas ☐ In nuclear energy

☑ No

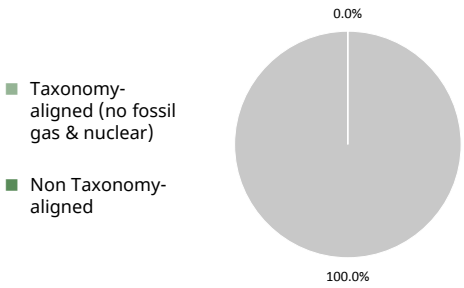
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Nordic Smaller Companies

Legal entity identifier: 5493006ZHNOXP7Z2DS89

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI Nordic Smaller Companies (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI Nordic Smaller Companies (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI Nordic Smaller Companies (Net TR) index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)).

- Schroders' 'global norms' breach list which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As part of the issuer level due diligence process, via company analysis from meetings with management teams and on desk analysis of annual reports and statements, several PAIs are considered.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. Engagements may include human rights with companies in the technology sector, relating to PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small-sized Nordic companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the Nordic equities market.

Portfolio construction is based on fundamental research, with a bias towards investing in companies that the Investment Manager considers are well-managed, entrepreneurial businesses that can grow in the long term.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Nordic Smaller Companies (Net TR) index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials. This involves:

– The inclusion of issuers that demonstrate stable and improving sustainability trajectories, and issuers demonstrating good governance based on the Investment Manager's sustainability rating methodology.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, meetings with company management and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI Nordic Smaller Companies (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI Nordic Smaller Companies (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

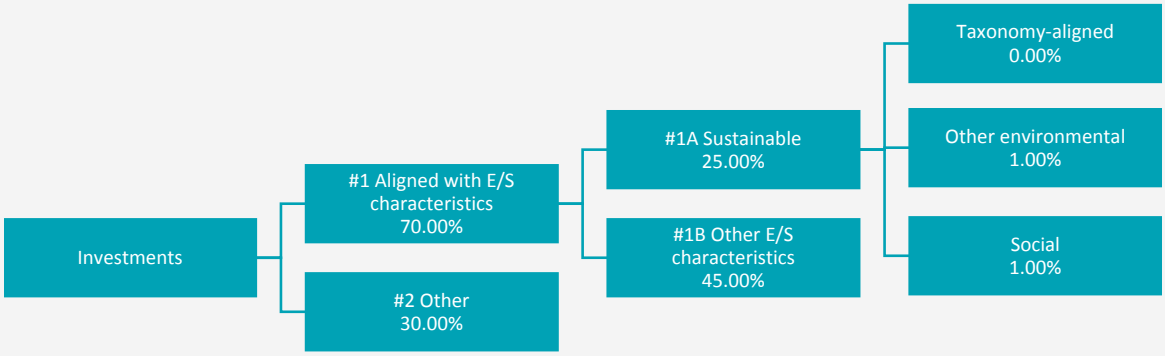
The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed

sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

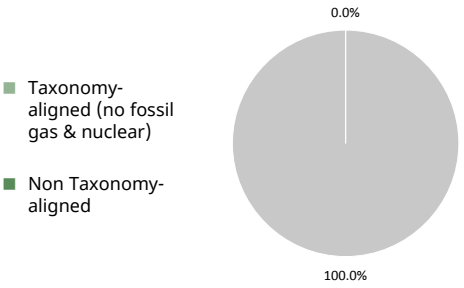
☐ In fossil gas ☐ In nuclear energy

☑ No

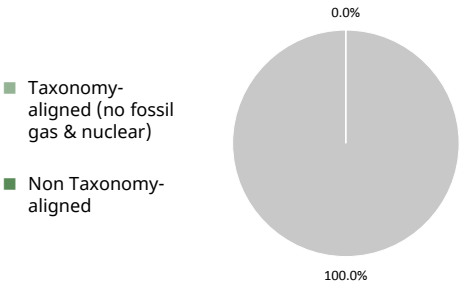
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

How does the designated index differ from a relevant broad market index?

This question is not applicable for the Fund.

Where can the methodology used for the calculation of the designated index be found?

This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund QEP Emerging Markets Core

Legal entity identifier: 54930003F8X2ITJLMY54

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (NDR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI Emerging Markets 10/40 (NDR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI Emerging Markets 10/40 (NDR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)

- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework. PAIs are also considered through integration in the investment process. All PAI indicators are monitored via Schroders PAI dashboard. Within the proprietary sustainability framework applied within the Fund's quantitative investment process, the following aspects are taken into account:
Greenhouse gas emissions, greenhouse gas intensity of investment companies (including carbon footprint), exposure to companies active in the fossil fuel sector: PAI 1,2, 3 and 4.
Activities negatively affecting biodiversity sensitive areas, emissions to water, hazardous waste: PAI 7, 8 and 9.
Unadjusted gender pay gap, board diversity: PAI 12 and 13.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with investee companies on the subject of climate change, where we seek to understand a range of companies' transition to net zero and the strategies and policies in place to manage decarbonisation efforts. These engagements relate to PAI 1, 2, 3, 4, 5 and 6.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity related securities of companies in emerging market countries.

The Fund focuses on companies that have certain "Value" and/or "Quality" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength, governance and structural growth. The Fund may invest directly in China H-Shares and may invest less than 20% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund maintains a higher overall sustainability score than MSCI Emerging Markets 10/40 (NDR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Companies in the investment universe are assessed on their governance, environmental and social profile, across a wide range of underlying measures. The Investment Manager will take into account an assessment of the sustainability profile of companies when determining position sizing within the portfolio. Within governance, criteria assessed include risk to shareholders, business oversight, accounting risk and dividend policy. Environmental considerations include climate change related risks alongside broader environmental impact and opportunities. Social criteria reflects areas such as business involvement, safety, employee welfare, supply chain management and data privacy.

The primary sources of information include fundamental accounting data, Schroders' proprietary sustainability tools and third-party ESG data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, the portfolio exhibits a higher overall sustainability score than its investment universe after the bottom rated 20% of stocks within the investment universe are excluded.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of emerging and frontier markets companies or companies which derive a significant proportion of their revenues or profits from emerging markets or frontier markets countries.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI Emerging Markets 10/40 (NDR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, the portfolio exhibits a higher overall sustainability score than its investment universe after the bottom rated 20% of stocks within the investment universe are excluded.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

The Fund leverages the competitive advantages of quantitative analysis to create a core emerging markets strategy. This means that good governance is applied following the below quantitative approach:

Governance is a key dimension within the proprietary sustainability framework applied within the diversified segment of the Fund which follows the Fund's quantitative investment process. Our governance assessment is applied universally, across our entire investment universe, rewarding highly rated companies whilst penalising those with poorer standards and actively avoiding the worst. We include a breadth of underlying terms within our governance assessment, capturing material areas such as management structure (including board independence) alongside accounting quality, the treatment of shareholders by assessing ownership structures & dividend policy as well as measuring shareholder dissent. The full range of inputs included within our governance framework is included beneath.

Dividend Policy: Reward sustainable and increasing pay outs, asymmetric penalty for cuts

Accounting Risk: Over 20 key red flags including working capital stress, expense & revenue recognition and asset & liability valuation

Risks to Shareholders: Penalise higher risk ownership structures and elevated exchange related risks

Business Oversight: Reward independence and efficient structure of the board & key committees, asymmetric penalty for lower independence

Innovation: Reward firms with positive R&D relative to revenue generation

QEP Country Risk Monitor: Penalise poor country level governance standards. Political & Governance risk used as a conditional criteria

Social risks are inherently driven by the nature of the underlying business as well as management decisions. We consider seven inputs within our social framework. It is recognised that the extent to which these arise depends upon the industry the company operates in. For example, product quality is a key measure for manufacturing and consumer businesses which is why we focus on product recalls, particularly for high impact industries such as pharmaceuticals. By way of another example, data privacy is material for an increasing number of companies but is especially important for IT services and financials. However, where areas of concern are universal to companies we will apply penalties to companies globally, including for areas such as excessive employee turnover and tax avoidance.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

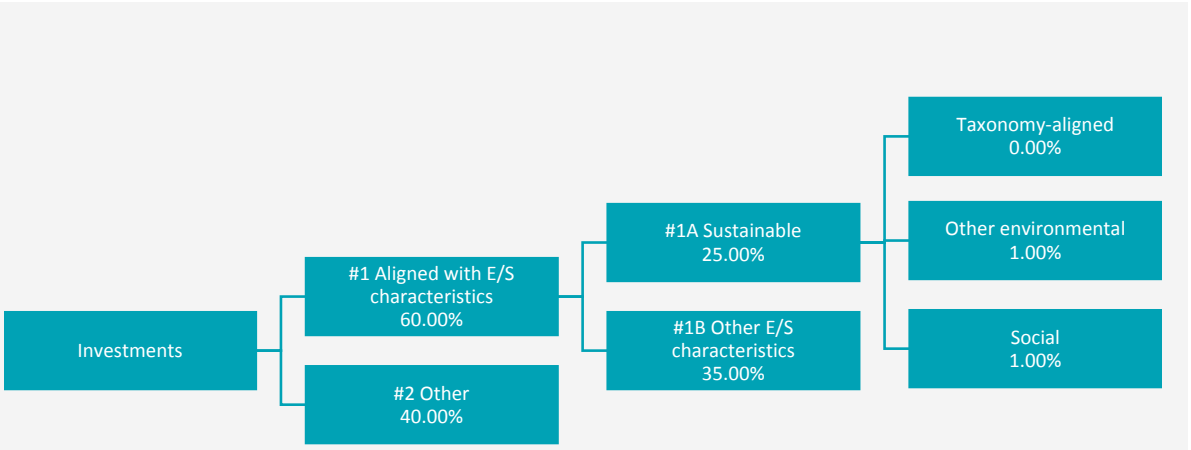
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the MSCI Emerging Markets 10/40 (NDR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

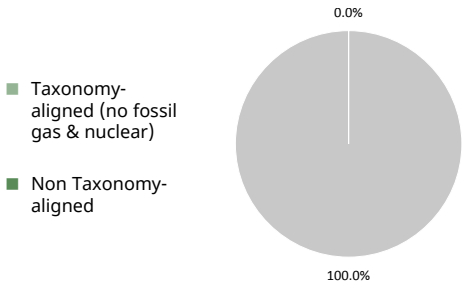
☐ In fossil gas ☐ In nuclear energy

☑ No

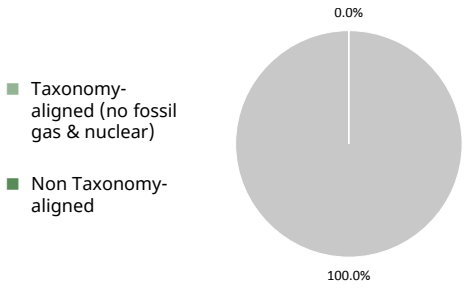
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund QEP Global Core

Legal entity identifier: DKBB2F7UTNGYHT4AM790

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI World (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI World (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI World (Net TR) index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference (i) to the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment demonstrates either (i) a net positive effect on across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and

compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process. All PAI indicators are monitored via Schroders PAI dashboard. Within the proprietary sustainability framework applied within the Fund's quantitative investment process, the following aspects are taken into account:
Greenhouse gas emissions, greenhouse gas intensity of investment companies (including carbon footprint), exposure to companies active in the fossil fuel sector: PAI 1,2, 3 and 4.
Activities negatively affecting biodiversity sensitive areas, emissions to water, hazardous waste: PAI 7, 8 and 9.
Unadjusted gender pay gap, board diversity: PAI 12 and 13.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with investee companies on the subject of climate change, where we seek to understand a range of companies' transition to net zero and the strategies and policies in place to manage decarbonisation efforts. These engagements relate to PAI 1, 2, 3, 4, 5 and 6.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.

The Fund's weight in a single country, region or sector will typically be within 3% of the target index whilst the weight of each security will typically be within 0.75% of the benchmark.

The Fund focuses on companies that have certain "Value" and/or "Quality" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market.

Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength, governance and structural growth.

The Fund may invest directly in China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than MSCI World (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. Companies in the investment universe are assessed on their governance, environmental and social profile, across a wide range of underlying measures. The Investment Manager will take into account an assessment of the sustainability profile of companies when determining position sizing within the portfolio.

Within governance, criteria assessed include risk to shareholders, business oversight, accounting risk and dividend policy. Environmental considerations include climate change related risks alongside broader environmental impact and opportunities. Social criteria reflects areas such as business involvement, safety, employee welfare, supply chain management and data privacy.

The primary sources of information include fundamental accounting data, Schroders' proprietary sustainability tools and third-party ESG data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, the portfolio exhibits a higher overall sustainability score than its investment universe after the bottom-rated 20% of stocks within the investment universe are excluded.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity-related securities of companies worldwide.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI World (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, the portfolio exhibits a higher overall sustainability score than its investment universe after the bottom-rated 20% of stocks within the investment universe are excluded.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

Governance is a key dimension within the proprietary sustainability framework applied within the Fund's quantitative investment process. Our governance assessment is applied universally, across our entire investment universe, rewarding highly rated companies whilst penalising those with poorer standards and actively avoiding the worst. We include a breadth of underlying terms within our governance assessment, capturing material areas such as management structure (including board independence) alongside accounting quality, the treatment of shareholders by assessing ownership structures & dividend policy as well as measuring shareholder dissent. The full range of inputs included within our governance framework is included beneath.

Dividend Policy: Reward sustainable and increasing pay outs, asymmetric penalty for cuts

Accounting Risk: Over 20 key red flags including working capital stress, expense & revenue recognition and asset & liability valuation

Risks to Shareholders: Penalise higher risk ownership structures and elevated exchange related risks

Business Oversight: Reward independence and efficient structure of the board & key committees, asymmetric penalty for lower independence

Innovation: Reward firms with positive R&D relative to revenue generation

QEP Country Risk Monitor: Penalise poor country level governance standards. Political & Governance risk used as a conditional criteria

Social risks are inherently driven by the nature of the underlying business as well as management decisions. We consider seven inputs within our social framework. It is recognised that the extent to which these arise depends upon the industry the company operates in. For example, product quality is a key measure for manufacturing and consumer businesses which is why we focus on product recalls, particularly for high impact industries such as pharmaceuticals. By way of another example, data privacy is material for an increasing number of companies but is especially important for IT services and financials. However, where areas of concern are universal to companies we will apply penalties to companies globally, including for areas such as excessive employee turnover and tax avoidance.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

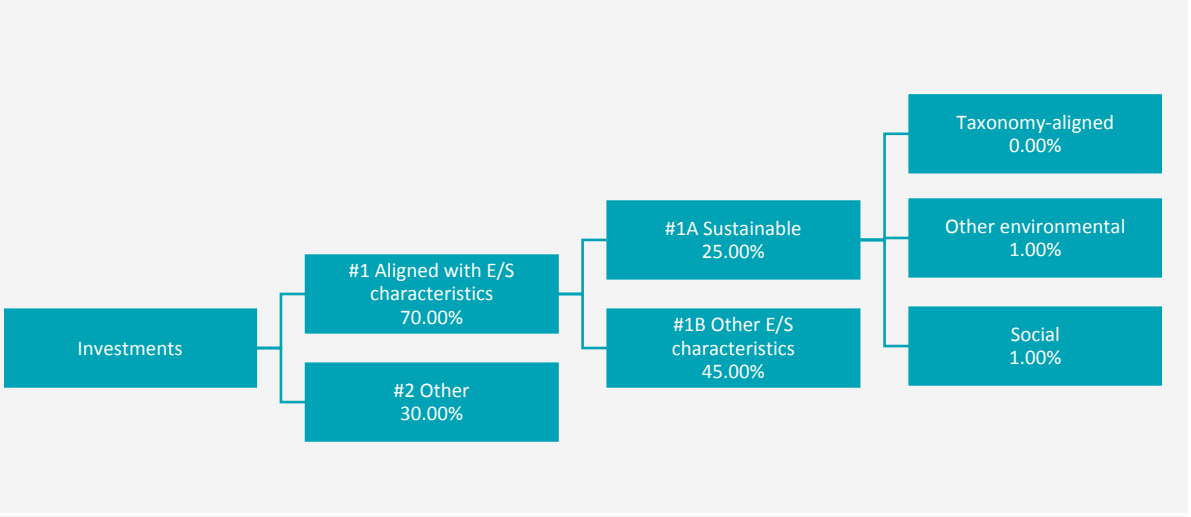
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI World (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

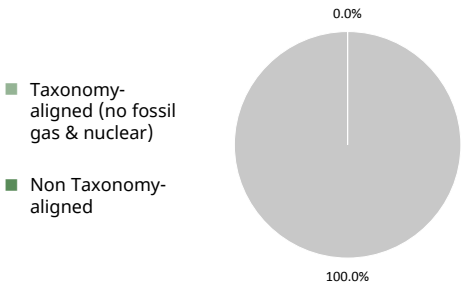
☐ In fossil gas ☐ In nuclear energy

☑ No

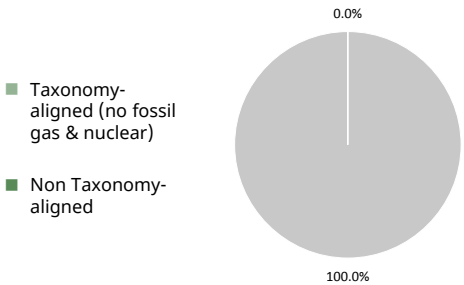
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund QEP Global ESG

Legal entity identifier: 549300Z3MJ4K5RFG8R15

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **40.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI AC World ex. Fossil Fuels (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 40% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI AC World ex. Fossil Fuels (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI AC World ex. Fossil Fuels (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 40% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)

- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework. PAIs are also considered through integration in the investment process. All PAI indicators are monitored via Schroders PAI dashboard. Within the proprietary sustainability framework applied within the Fund's quantitative investment process, the following aspects are taken into account:
Greenhouse gas emissions, greenhouse gas intensity of investment companies (including carbon footprint), exposure to companies active in the fossil fuel sector: PAI 1,2, 3 and 4.
Activities negatively affecting biodiversity sensitive areas, emissions to water, hazardous waste: PAI 7, 8 and 9.
Unadjusted gender pay gap, board diversity: PAI 12 and 13.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with investee companies on the subject of climate change, where we seek to understand a range of companies' transition to net zero and the strategies and policies in place to manage decarbonisation efforts. These engagements relate to PAI 1, 2, 3, 4, 5 and 6.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity related securities of companies worldwide.

The Fund focuses on companies that have certain "Value" and/or "Quality" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market.

Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength, structural growth and governance.

The Fund may invest directly in China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund maintains a higher overall sustainability score than MSCI AC World ex. Fossil Fuels (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

Companies in the investment universe are assessed on their governance, environmental and social profile, across a wide range of underlying measures. The Investment Manager will then decide whether a company is eligible for inclusion in the Fund, based on its sustainability profile. The sustainability characteristics of a company can also impact the sizing of positions in the Fund.

Within governance, criteria assessed include risk to shareholders, business oversight, accounting risk and dividend policy. Environmental considerations include climate change related risks alongside broader environmental impact and opportunities. Social criteria reflects areas such as business involvement, safety, employee welfare, supply chain management and data privacy.

The primary sources of information include fundamental accounting data, Schroders' proprietary sustainability tools and third-party ESG data.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, the portfolio exhibits a higher overall sustainability score than its investment universe after the bottom rated 20% of stocks within the investment universe are excluded.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity-related securities of companies worldwide.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI AC World ex. Fossil Fuels (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 40% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, the portfolio exhibits a higher overall sustainability score than its investment universe after the bottom rated 20% of stocks within the investment universe are excluded.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

Governance is a key dimension within the proprietary sustainability framework applied within the Fund's quantitative investment process. Our governance assessment is applied universally, across our entire investment universe, rewarding highly rated companies whilst penalising those with poorer standards and actively avoiding the worst. We include a breadth of underlying terms within our governance assessment, capturing material areas such as management structure (including board independence) alongside accounting quality, the treatment of shareholders by assessing ownership structures & dividend policy as well as measuring shareholder dissent. The full range of inputs included within our governance framework is included beneath.

Dividend Policy: Reward sustainable and increasing pay outs, asymmetric penalty for cuts

Accounting Risk: Over 20 key red flags including working capital stress, expense & revenue recognition and asset & liability valuation

Risks to Shareholders: Penalise higher risk ownership structures and elevated exchange related risks

Business Oversight: Reward independence and efficient structure of the board & key committees, asymmetric penalty for lower independence

Innovation: Reward firms with positive R&D relative to revenue generation

QEP Country Risk Monitor: Penalise poor country level governance standards. Political & Governance risk used as a conditional criteria

Social risks are inherently driven by the nature of the underlying business as well as management decisions. We consider seven inputs within our social framework. It is recognised that the extent to which these arise depends upon the industry the company operates in. For example, product quality is a key measure for manufacturing and consumer businesses which is why we focus on product recalls, particularly for high impact industries such as pharmaceuticals. By way of another example, data privacy is material for an increasing number of companies but is especially important for IT services and financials. However, where areas of concern are universal to companies we will apply penalties to companies globally, including for areas such as excessive employee turnover and tax avoidance.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

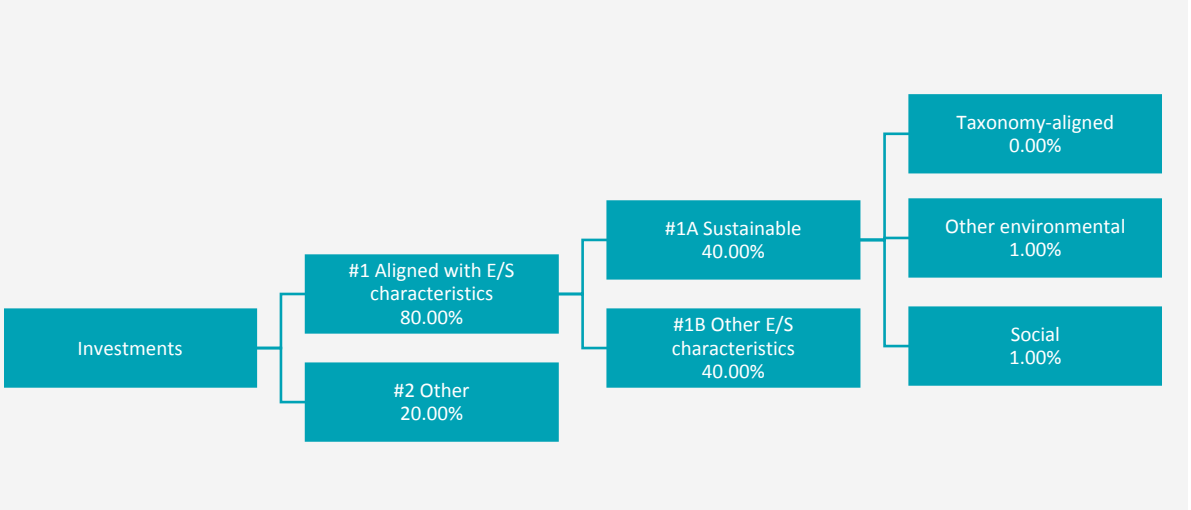
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 80%. The Fund commits to maintain a higher overall sustainability score than the MSCI AC World ex. Fossil Fuels (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 40% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

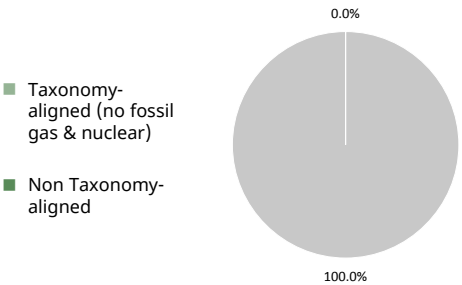
☐ In fossil gas ☐ In nuclear energy

☑ No

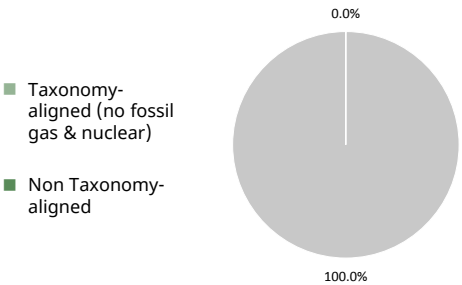
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund QEP Global Quality

Legal entity identifier: AOE3GPC0XP7JH5DJTH02

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI AC World (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI AC World (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and

compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework. PAIs are also considered through integration in the investment process. All PAI indicators are monitored via Schroders PAI dashboard. Within the proprietary sustainability framework applied within the Fund's quantitative investment process, the following aspects are taken into account:
Greenhouse gas emissions, greenhouse gas intensity of investment companies (including carbon footprint), exposure to companies active in the fossil fuel sector: PAI 1,2, 3 and 4.
Activities negatively affecting biodiversity sensitive areas, emissions to water, hazardous waste: PAI 7, 8 and 9.
Unadjusted gender pay gap, board diversity: PAI 12 and 13.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with investee companies on the subject of climate change, where we seek to understand a range of companies' transition to net zero and the strategies and policies in place to manage decarbonisation efforts. These engagements relate to PAI 1, 2, 3, 4, 5 and 6.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in a diversified portfolio of equity and equity-related securities of companies worldwide.

The Fund focuses on companies that have certain "Quality" characteristics. Quality is assessed by looking at indicators such as a company's profitability, stability, financial strength, governance and structural growth.

The Fund may invest directly in China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than MSCI AC World (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage, accessed via https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. Companies in the investment universe are assessed on their governance, environmental and social profile, across a wide range of underlying measures. The Investment Manager will take into account an assessment of the sustainability profile of companies when determining position sizing within the portfolio.

Within governance, criteria assessed include risk to shareholders, business oversight, accounting risk and dividend policy. Environmental considerations include climate change related risks alongside broader environmental impact and opportunities. Social criteria reflects areas such as business involvement, safety, employee welfare, supply chain management and data privacy.

The primary sources of information include fundamental accounting data, Schroders' proprietary sustainability tools and third-party ESG data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

Governance is a key dimension within the proprietary sustainability framework applied within the Fund's quantitative investment process. Our governance assessment is applied universally, across our entire investment universe, rewarding highly rated companies whilst penalising those with poorer standards and actively avoiding the worst. We include a breadth of underlying terms within our governance assessment, capturing material areas such as management structure (including board independence) alongside accounting quality, the treatment of shareholders by assessing ownership structures & dividend policy as well as measuring shareholder dissent. The full range of inputs included within our governance framework is included beneath.

Dividend Policy: Reward sustainable and increasing pay outs, asymmetric penalty for cuts

Accounting Risk: Over 20 key red flags including working capital stress, expense & revenue recognition and asset & liability valuation

Risks to Shareholders: Penalise higher risk ownership structures and elevated exchange related risks

Business Oversight: Reward independence and efficient structure of the board & key committees, asymmetric penalty for lower independence

Innovation: Reward firms with positive R&D relative to revenue generation

QEP Country Risk Monitor: Penalise poor country level governance standards. Political & Governance risk used as a conditional criteria

Social risks are inherently driven by the nature of the underlying business as well as management decisions. We consider seven inputs within our social framework. It is recognised that the extent to which these arise depends upon the industry the company operates in. For example, product quality is a key measure for manufacturing and consumer businesses which is why we focus on product recalls, particularly for high impact industries such as pharmaceuticals. By way of another example, data privacy is material for an increasing number of companies but is especially important for IT services and financials. However, where areas of concern are universal to companies we will apply penalties to companies globally, including for areas such as excessive employee turnover and tax avoidance.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

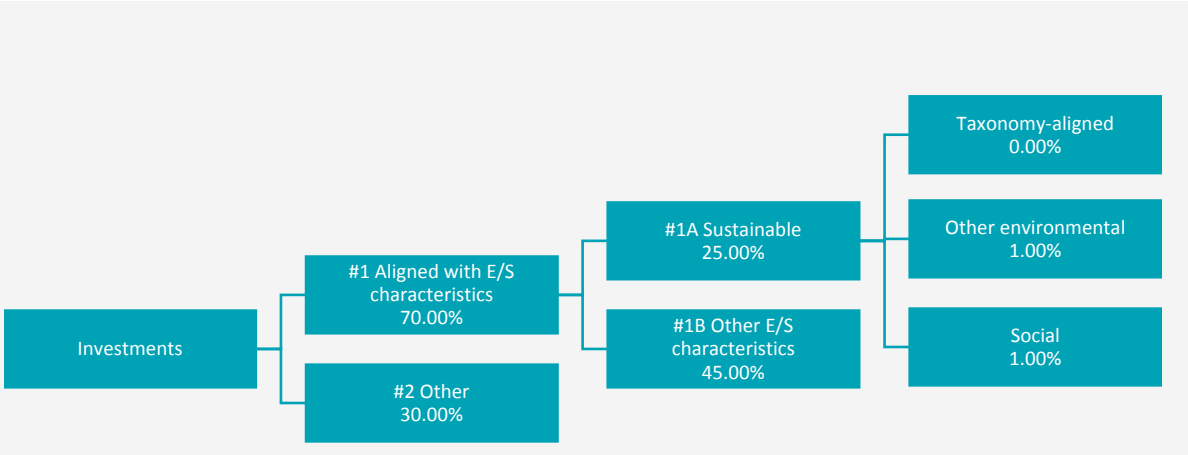
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI AC World (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

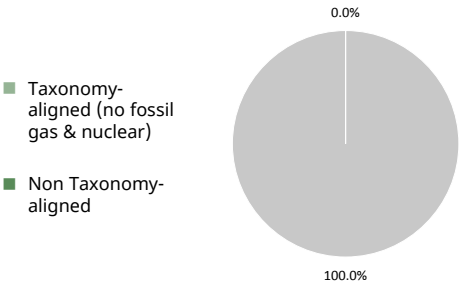
☐ In fossil gas ☐ In nuclear energy

☑ No

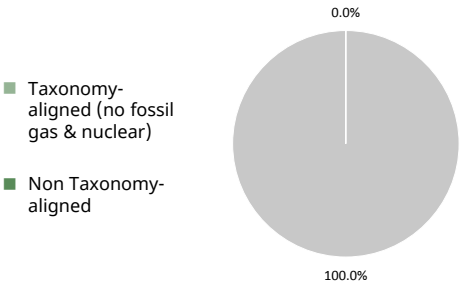
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Robotics and Automation

Legal entity identifier: 549300DYPXYJ7UC4NK03

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI AC World (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI AC World (Net TR) index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosures" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons, such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
  - Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
  - Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration within the investment process. Further details are provided below:
Schroders' proprietary tools incorporate several PAIs as a component of their scoring methodology. In assessing an issuer's overall environmental score, PAIs 1, 2, 3, 4, 5 and 6 (Greenhouse gas emissions) are included. In assessing an issuer's overall social score, PAIs 12 (Unadjusted gender pay gap) and 13 (Board gender diversity) are included.
PAIs are considered using the proprietary tools as part of analyst coverage of companies. In addition, the issuers' scores and the aggregate impact on the portfolio are considered by the fund manager as part of portfolio construction.
All PAI indicators are monitored via Schroders' PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in the Schroders Engagement Blueprint, which outlines our approach to active ownership.
Where issuers are flagged owing to lack of data availability for any PAIs, the Investment Manager may engage with issuers where the primary focus is to improve reporting.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies worldwide.

Robotics and automation are key elements of the latest industrial innovation techniques to address the market needs and supply chain challenges of manufacturing and related sectors such as distribution, logistics and transportation. The Investment Manager seeks to invest in companies that it believes will enjoy superior growth through their exposure to these innovations.

The Fund may invest directly in China H-Shares and may invest less than 10% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and shares listed on the STAR Board and the ChiNext.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The Investment Manager evaluates issuers against a range of environmental, social and governance factors in order to decide whether an issuer is eligible for the Fund's portfolio. This analysis is performed by global sector specialists and local analyst teams and is supported by Schroders' dedicated Sustainable Investment team. The Investment Manager uses Schroders' proprietary sustainability tools to provide a baseline assessment that contributes to the overall ESG appraisal of a company. Additionally, meetings with company management inform the Investment Manager's view, providing further insights on corporate culture and senior management commitment to corporate social responsibility, with third party ESG research used primarily as a benchmarking exercise to confirm proprietary analysis.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the MSCI AC World (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

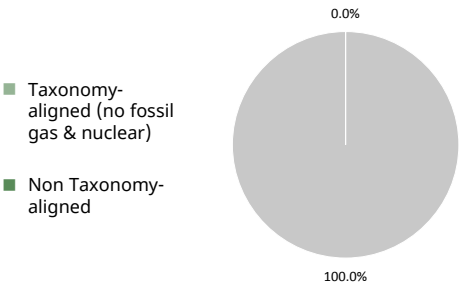
☐ In fossil gas ☐ In nuclear energy

☑ No

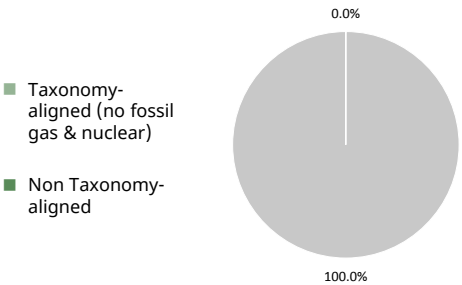
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Securitised Credit

Legal entity identifier: 549300JBQI0S7PKT3U55

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **__%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☑ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund only invests in assets deemed above a minimum threshold based on the Investment Manager's rating system.

Securities are ranked across Environmental, Social and Governance factors using a scorecard system and are awarded points on a 100-point /100 percent scale. These scores are then translated into a scoring system of 1-star – 5-stars, with a score of 5-stars deemed the highest. The Investment Manager ensures that at least 80% of the assets in the Fund are ranked in the top 3 Sustainability categories (3, 4, 5-stars) and will invest 100% of its assets in those ranked 2-stars or higher.

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager uses different sustainability indicators to score each investment in the Fund dependent on the specific asset-type, e.g. whether the underlying secured assets are mortgages or commercial real estate or another asset type. Indicators are typically either quantitative, data-oriented measures or information provided following engagement with issuers. Indicators include but are not limited to environmental metrics such as environmental transition risk or physical risk, social indicators such as predatory lending risk or consumer education effort and governance metrics such as risk retention or clarity of roles. Compliance with the minimum required score is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

This question is not applicable for the Fund.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

This question is not applicable for the Fund.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

This question is not applicable for the Fund.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

This question is not applicable for the Fund.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☐ Yes

☑ No, due to the nature of the Fund's assets, the Investment Manager is not able to adequately consider the principal adverse impacts on sustainability factors as these metrics only apply to investments in companies, sovereign debt and real estate.

However, the Investment Manager does consider adverse impacts relevant to the strategy in the following way:

- The Investment Manager ensures that investments are aligned with the UN Principles for Responsible Investment ("PRI"). All investments must be compliant with industry standards, be fair, and be fit-for purpose
- The Investment Manager's rating system takes into account adverse impacts on society such as the asset footprint on the environment or impact on climate change
- Investments that cannot meet minimum standards related to social, environmental or governance concerns are excluded from the portfolio. The list of excluded sectors is reviewed, updated and published quarterly.

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securitised investments including but not limited to asset-backed securities (ABS), residential mortgage-backed securities (MBS) and commercial mortgage-backed securities (CMBS). The Fund may also invest up to 49% of its assets in in collateralised loan obligations (CLOs).

The Fund may invest up to 100% of its assets in ABS, MBS and CMBS issued worldwide with an investment grade and sub-investment grade credit rating (as measured Standard & Poor's or any equivalent grade of other credit rating agencies for rated securities and implied Schroders ratings for non-rated securities). Underlying assets of the asset-backed securities may include credit card receivables, personal loans, auto loans, transportation finance and small business loans.

The Fund may invest up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities with a sub-investment grade credit rating (as measured Standard & Poor's or any equivalent grade of other credit rating agencies for rated securities and implied Schroders ratings for non-rated securities).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Investment Manager assesses the sustainability credentials of potential investments using a proprietary tool. The Fund only invests in assets deemed above a minimum threshold based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund. The strategy aims to identify securities offering good or improving sustainability characteristics and credentials.

The Investment Manager seeks to avoid, penalize or exclude collateral, structures or agents that impose a high cost on the environment and society, or those that lack acceptable governance.

This involves:

- The exclusion of sectors, assets or collateral, that the Investment Manager deems impose material uncompensated costs to the environment and those that impose unjustifiable social costs; and
- The inclusion of securities that evidence improvements to existing assets, lending conditions or governance based on the Investment Manager's rating methodology.

Securities are ranked across Environmental, Social and Governance factors using a scorecard system and are awarded points on a 100-point /100 percent scale. These scores are then translated into a scoring system of 1-star – 5-stars, with a score of 5-stars deemed the highest. The Investment Manager ensures that at least 80% of the assets in the Fund are ranked in the top 3 Sustainability categories (3, 4, 5-stars) and will invest 100% of its assets in those ranked 2-stars or higher.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools, surveys, ESG questionnaires, public information, securitization filings and third-party research.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- At least 80% of the assets in the Fund are ranked in the top 3 Sustainability categories (3, 4, 5-stars) and will invest 100% of its assets in those ranked 2-stars or higher based on the Investment Manager's rating system.
- The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

Due to the nature of the Fund's assets, the good governance principles of A) sound management structures, B) employee relations, C) remuneration of staff and D) tax compliance is not directly or fully applicable.

As part of our good governance framework, the Investment Manager ensures that the special purpose vehicles (SPVs – the structure holding the assets) are set up in jurisdictions which have well-established corporate legal frameworks and sound corporate governance and are supervised by local law, policies and regulations. One of the many characteristics of securitisation is that as a separate SPV, or pool of assets, the securitisation is not generally a managed "going concern" corporation. We assess the fiduciary behaviour of parties to the structure, such as servicers, collateral managers and trustees, and practices that mitigate risk, align interest and avoid conflict.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

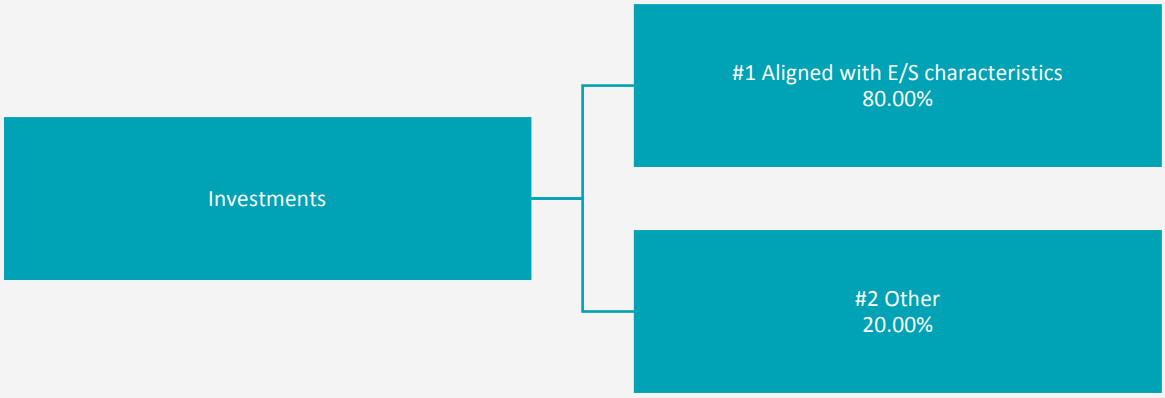
The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics. This means investments that are ranked in the top 3 Sustainability categories according to the Investment Manager's rating criteria. The minimum proportion stated in #1 applies in normal market conditions.

#2 Other includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. #2 also includes any investments that are not aligned with the environmental or social characteristics as they are not ranked in the top 3 Sustainability categories according to the Investment Manager's rating criteria.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) or other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

This question is not applicable for the Fund.

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

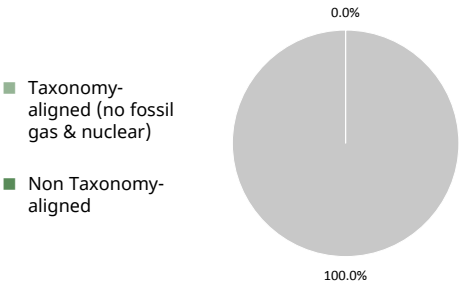
☐ In fossil gas ☐ In nuclear energy

☑ No

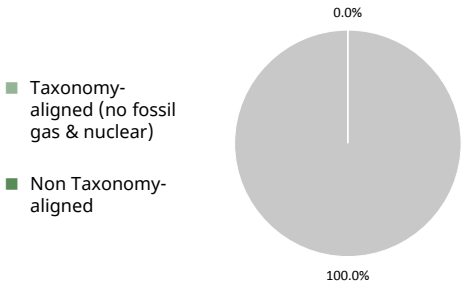
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

This question is not applicable for the Fund.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

This question is not applicable for the Fund.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently. #2 also includes investments that that are not aligned with the environmental or social characteristics as they are not ranked in the top 3 Sustainability categories according to the Investment Manager's rating criteria.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) or other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?

This question is not applicable for the Fund.

How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?

This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Strategic Bond

Legal entity identifier: Q3NPQRTNZ48H5X7KI692

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse ex Treasury A+ to B-USD Hedged index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Bloomberg Multiverse ex Treasury A+ to B- USD hedged index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference (i) to the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether the asset is classified as a green, social and/or sustainable bond and/or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is

monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay, and reducing environmental and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. Quantitative: this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

Qualitative: This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders' PAI dashboard and via other

external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include Schroders firmwide corporate exclusions regarding:
- Controversial weapons: PAI 14 Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. All PAI indicators are monitored via Schroders PAI dashboard.

Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing a corporate issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included, for example.

The attractiveness of a particular sovereign issuer as an investment for the portfolio is based on its ability to pay its bondholders over the long term, so as part of our process we consider the materiality of PAIs 15 (GHG intensity) and 16 (investee countries subject to social violations) as to whether we should regard these as areas of potential concern.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4, for example. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).

There tend to be fewer opportunities to engage with sovereign issuers, as opposed to corporate issuers, but nonetheless we aim to engage with sovereign and supranational issuers on a periodic basis, primarily with respect to their approach to net zero carbon strategies (relating to PAI 15, GHG intensity).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://mybrand.schroders.com/m/4ab13771bddddc9d/original/Statement-on-principal-adverse-impacts-of-investment-decisions-on-sustainability-factors.pdf. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities in various currencies issued by governments, government agencies, supra-nationals and companies worldwide. The Fund may invest:

– up to 10% of its assets in contingent convertible bonds;

– up to 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities with a non-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies); and

– up to 100% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Fund may invest up to 15% of its assets in mainland China through Regulated Markets (including the CIBM via Bond Connect or CIBM Direct).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse ex Treasury A+ to B- USD Hedged index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

– The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct; and

– The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers. As part of the selection process the Investment Manager also considers companies' commitment to sustainable themes such as responsible finance, waste management, climate change mitigation, education, health and wellbeing, and circular packaging. The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

In assessing sustainability factors for sovereign issuers, the Investment Manager considers that countries with stable and non-corrupt governments are likely to be more willing and able to service their debts, while political considerations, including the impact of social and governance factors, can influence a country's inflation and currency profile and thus have a material impact on the real value of debt. The primary sources of information used to perform this analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. For corporate issuers, the Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse ex Treasury A + to B- USD Hedged index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the Bloomberg Multiverse ex Treasury A+ to B- USD hedged index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainability bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

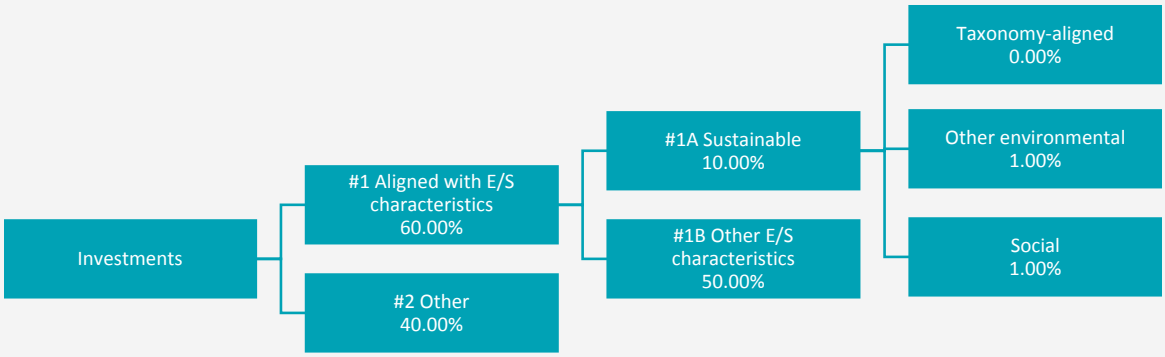
The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/or (iii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's

management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

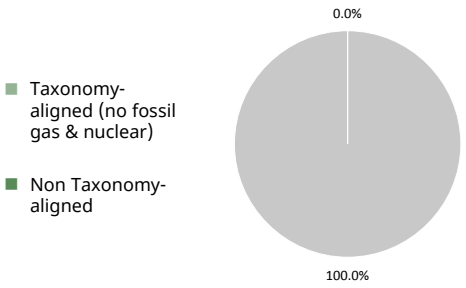
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

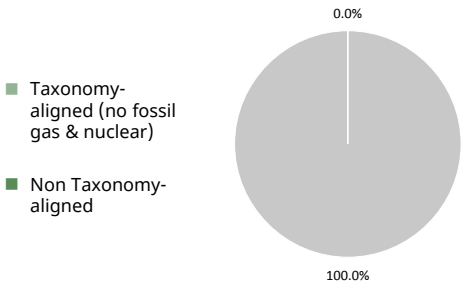
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Strategic Credit

Legal entity identifier: 549300402PQWGGYQR877

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a positive absolute sustainability score by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is

monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability -Related Disclosures" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 (Greenhouse gas emissions) are included. All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2) and procuring renewable energy (PAI 5).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund may invest up to 100% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities with a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

The Fund may also seek up to 25% exposure to convertible bonds and bonds with warrants. The exposure to convertible bonds includes up to 15% in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may also invest in derivatives to create long and short exposure to the underlying assets of these derivatives.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

– The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct.

– The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with an investment grade credit rating; sovereign debt issued by developed countries; and equities issued by large companies domiciled in developed countries; and

– 75% of the portion of the Fund's NAV composed of fixed or floating rate securities and money market instruments with a high yield credit rating; sovereign debt issued by emerging countries equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a positive absolute sustainability score, based on Schroders' proprietary tool.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

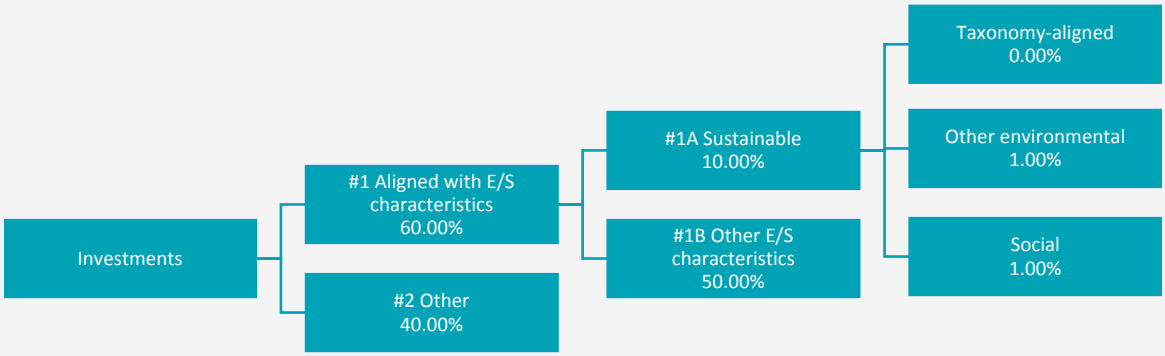
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a positive absolute sustainability score, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

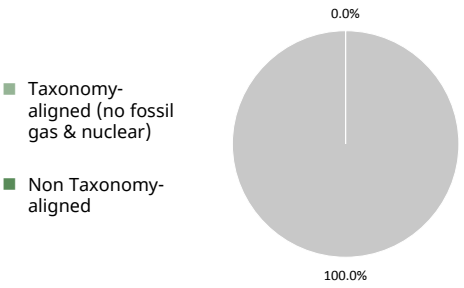
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

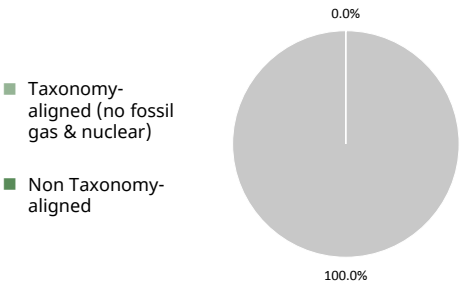
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Sustainable Asian Equity

Legal entity identifier: 549300B7ECKLDTN5I839

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **50.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 50% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI AC Asia Pacific ex Japan (Net TR) index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 50% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)

- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details on how these have been considered during the reference period are detailed below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack

of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process through the bottom-up stock analysis at a company level. The Asian Equities investment team uses a proprietary tool which provides a framework for analysing a company's relationship with its stakeholders and the sustainability of its business model and covers PAIs 1, 2, 3 and 6 (Greenhouse gas emissions). PAI indicators may be further reviewed via the Schroders PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.

The Investment Manager may engage with selected issuers held by the Fund on PAIs. For example, we aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2,3), procuring renewable energy (PAI 5) and further topics of engagement may include board gender diversity which relates to PAI 13.

Where issuers are flagged on lack of data availability on PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of companies in Asia Pacific markets (excluding Japan) or companies which derive a significant proportion of their revenues or profits from the Asia Pacific region.

The Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may invest directly in China H-Shares and may invest less than 30% of its assets (on a net basis) directly or indirectly (for example via participatory notes) in China A-Shares through:

– Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect;

– the Qualified Foreign Investor (QFI) Scheme;

– shares listed on the STAR Board and the ChiNext; and

– Regulated Markets.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

The investable universe is assessed using a number of proprietary tools, as well as external rating services. Companies being considered for investment are assessed on a stakeholder-based approach against criteria including, but not limited to (1) good governance practices; (2) impact on the environment and local communities; and (3) fair and equitable treatment of employees, suppliers and customers.

In the portfolio construction process, companies that fall into the bottom quintile based on the Investment Manager's overall sustainability score will not be eligible for inclusion in the first instance.

However, if, based on proprietary analysis and ongoing engagement with a company, the Investment Manager believes that the company is taking concrete steps to transition out of business segments that have not met the sustainability criteria or to improve their relevant areas of weakness, the company may be deemed eligible for investment.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of companies in Asia Pacific markets or companies which derive a significant proportion of their revenues or profits from the Asia Pacific region.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 50% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

As a result of the application of the Fund's sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments. For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 80%. The Fund commits to maintain a higher overall sustainability score than the MSCI AC Asia Pacific ex Japan (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a

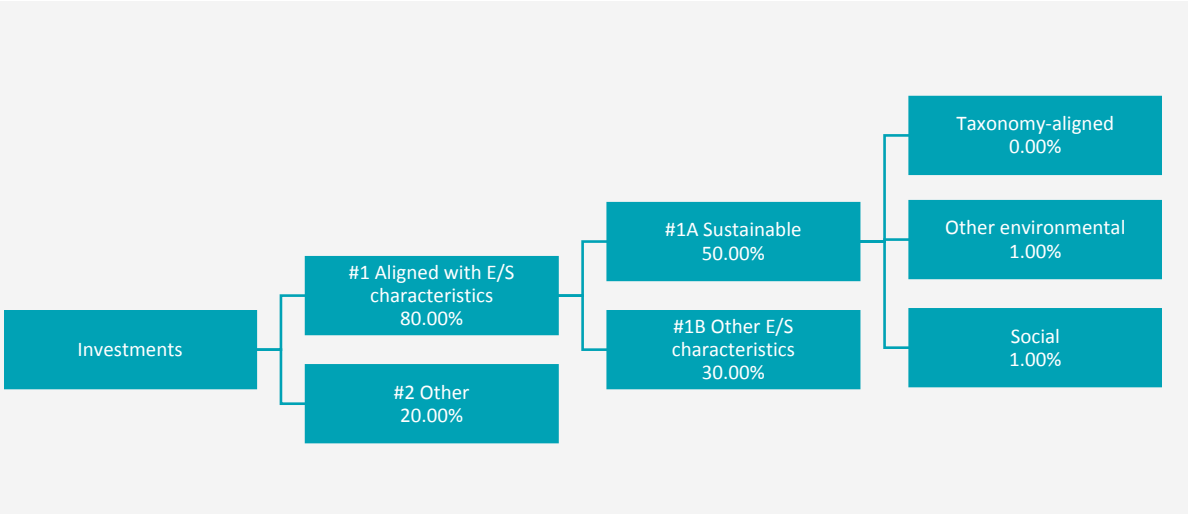
positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 50% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

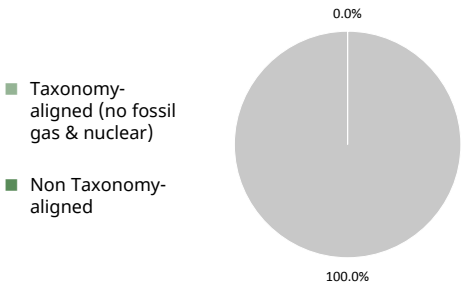
☐ In fossil gas ☐ In nuclear energy

☑ No

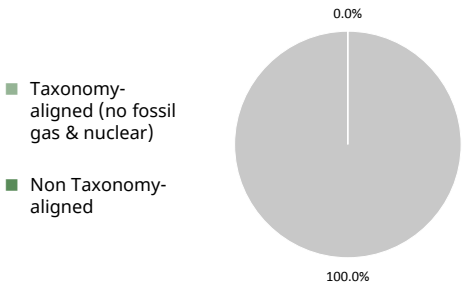
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Sustainable Euro Credit

Legal entity identifier: 5493003OZ3JFD52K6J04

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

☐ **Yes**	☑ **No**
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **55.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the ICE Bank of America Euro Corporate index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 55% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the ICE Bank of America Euro Corporate index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the ICE Bank of America Euro Corporate index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 55% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether the asset is classified as a green, social and/or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with these

requirements are monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

- **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive

areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 (Greenhouse gas emissions) are included. All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2), procuring renewable energy (PAI 5).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities denominated in or hedged to Euro issued by companies and other non-sovereign bond issuers, governments, government agencies and supra-nationals worldwide.

In security analysis, the Fund compares issuers in the context of their sector and country peers.

The Fund maintains a higher overall sustainability score than ICE Bank of America Euro Corporate index, based on the Investment Manager's rating system.

The Fund invests at least 10% of its assets in green, social and/or sustainable bonds.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may invest:

- up to 30% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);
- up to 20% of its assets in sovereign government bonds;
- up to 20% of its assets in asset-backed securities and mortgage-backed securities; and
- up to 20% of its assets in convertible bonds including up to 10% of its assets in contingent convertible bonds.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Investment Manager applies environmental, social and governance criteria when selecting investments for the Fund. The strategy applies screens to combine best-in-class companies with investments in issuers demonstrating good or improving sustainability credentials. This is achieved by:

- The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/or have demonstrated gross misconduct.

- The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers. As part of the selection process, the Investment Manager also considers companies' commitment to sustainable themes such as responsible finance, waste management, climate change mitigation, education, health and wellbeing, and circular packaging.

The sustainability assessment of investments duly considers environmental, social and governance factors, which are reflected in the selection process. The Investment Manager notably considers companies' commitment to sustainable practices such as responsible finance, preservation of natural capital and biodiversity, climate change, education, health and wellbeing, good governance, among others.

The Investment Manager may also engage with companies to encourage transparency and advance transition to sustainability practices. We focus on sustainability themes to influence long-term value and alpha generation. These themes include climate change, natural capital and biodiversity, human rights, human capital management, diversity and inclusion, and corporate governance.

The Fund may also invest strategically in green, social and sustainable bonds. The selection of green, social and sustainable bonds entails assessing the overall sustainability of the issuer and analysing the use of proceeds. A green bond is a fixed or floating rate security that finances an environmental objective. A social bond is a fixed or floating rate security that finances a social objective. A sustainable bond is a fixed or floating rate security that finances both environmental and social objectives.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the sustainability analysis are Schroders' proprietary sustainability tools and research, and the Investment Manager's third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of information provided by the companies, including information provided in company sustainability reports and other relevant company material.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 30% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of fixed and floating rate securities denominated in various currencies and issued by companies worldwide. The universe (for the purpose of this test only) does not include fixed or floating rate securities issued by public or quasi-public issuers.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the ICE Bank of America Euro Corporate index based on the Investment Manager's rating criteria.
- The Fund invests at least 55% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 30% of the Fund's potential investment universe is excluded from the selection of investments.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

As a result of the application of the Fund's sustainability criteria, at least 30% of the Fund's potential investment universe is excluded from the selection of investments. For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

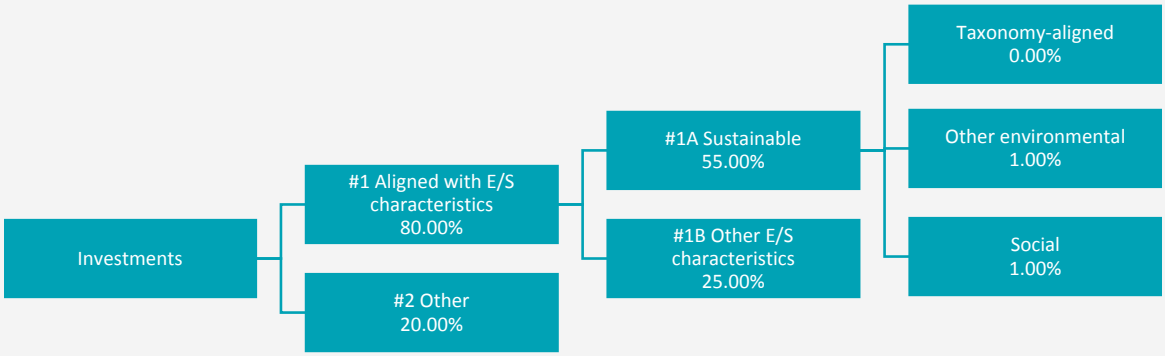
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 80%. The Fund commits to maintain a higher overall sustainability score than the ICE Bank of America Euro Corporate index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments, is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 55% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits.

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

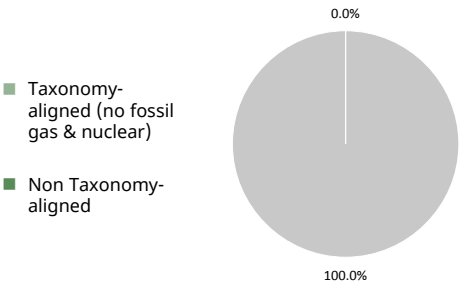
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

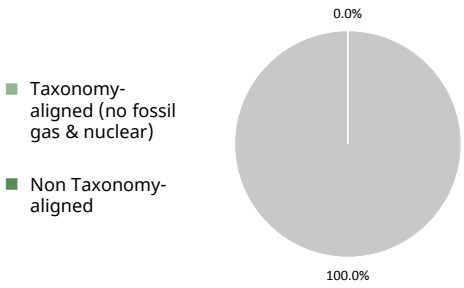
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Sustainable Global Multi Credit

Legal entity identifier: 549300N4PLUJQQE2N097

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **50.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse (TR) ex Treasury A+ to B- index, USD Hedged, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 50% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Bloomberg Multiverse (TR) ex Treasury A+ to B- index, USD Hedged by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Bloomberg Multiverse (TR) ex Treasury A+ to B- index, USD Hedged in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 50% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is

monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

- **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive

areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 (Greenhouse gas emissions) are included. All PAI indicators are monitored via Schroders PAI dashboard.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2), procuring renewable energy (PAI 5).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in investment grade and sub-investment grade fixed and floating rate securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries.

The Fund maintains a higher overall sustainability score than Bloomberg Multiverse (TR) ex Treasury A+ to B-index, USD Hedged, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may invest:

– in excess of 50% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds);

– up to 20% of its assets in asset-backed and mortgage backed securities; and

- up to 15% of its assets in contingent convertible bonds and convertible bonds (of which up to 10% may be invested in convertible bonds).

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may also invest in derivatives to create long and short exposure to the underlying assets of these derivatives.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

The strategy applies structural sustainability themes and screens to combine companies that the Investment Manager considers are best-in-class with investments in issuers demonstrating good or improving sustainability credentials. This is achieved by:

– The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive, socially damaging , violate human rights and/or have demonstrated gross misconduct.

– The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers. As part of the selection process, the Investment Manager also considers companies' commitment to sustainable themes such as climate change mitigation, economic inclusion and health and wellbeing.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The Fund may also invest strategically in green, social and sustainable bonds. The selection of green, social and sustainable bonds entails assessing the overall sustainability of the issuer and analysing the use of proceeds. A green bond is a fixed or floating rate security that finances an environmental objective. A social bond is a fixed or floating rate security that finances a social objective. A sustainable bond is a fixed or floating rate security that finances both environmental and social objectives.

The primary sources of information used to perform the analysis are Schroders' proprietary sustainability tools and research, and the Investment Manager's third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of information provided by the companies, including information provided in company sustainability reports and other relevant company material.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of fixed and floating rate securities issued by companies worldwide. However, the universe (for the purpose of this test only) does not include fixed or floating rate securities issued by public or quasi-public issuers.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Bloomberg Multiverse (TR) ex Treasury A+ to B- index, USD Hedged based on the Investment Manager's rating criteria.
- The Fund invests at least 50% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

As a result of the application of the Fund's sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments. For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

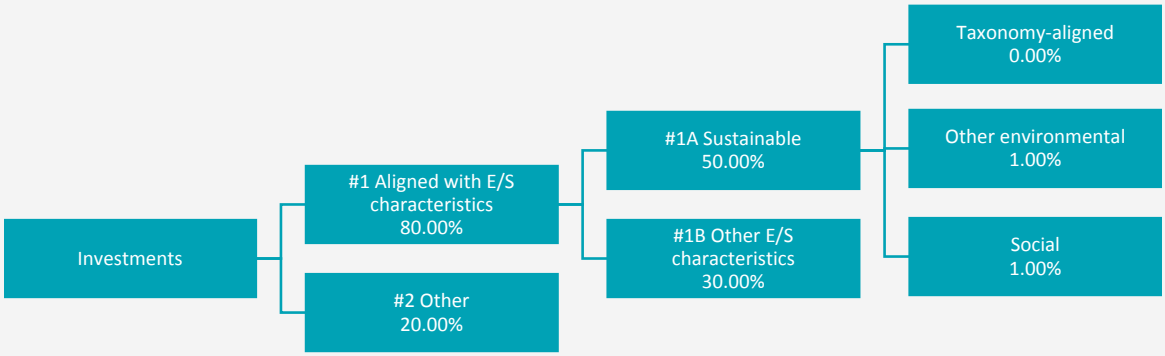
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 80%. The Fund commits to maintain a higher overall sustainability score than the Bloomberg Multiverse (TR) ex Treasury A+ to B- index, USD Hedged, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 50% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

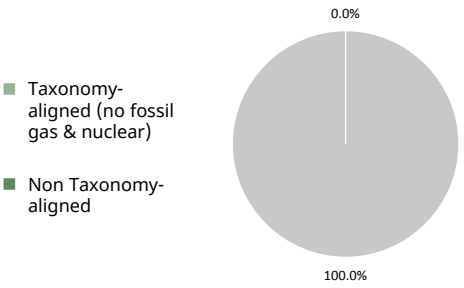
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

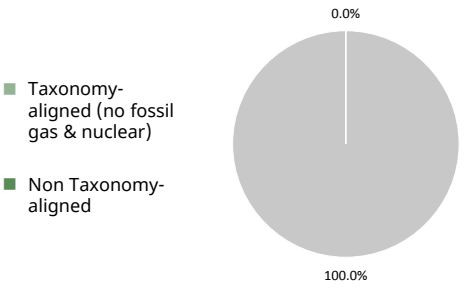
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Sustainable Multi-Factor Equity

Legal entity identifier: 5493007XNHSEG8Q50Z18

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **50.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index, based on the Investment Manager's rating system. It also maintains a carbon intensity at least 50% lower than the MSCI AC World (Net TR) Index, based on the Weighted Average Carbon Intensity (WACI). This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

Carbon intensity is a measure of a portfolio's exposure to carbon-intensive companies. It is expressed as the carbon emissions per million dollars of revenue and displayed as metric tons CO2e / $M revenue. The carbon intensity is measured using data from a third party provider. Where a data point is not available, the provider may make use of estimated data.

The Fund invests at least 50% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the MSCI AC World (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the MSCI AC World (Net TR) index in Schroders' proprietary tool over the previous

six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 50% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

The Investment Manager monitors compliance with the characteristic to maintain at least 50% lower carbon intensity than the MSCI AC World (Net TR) index by reference to the Weighted Average Carbon Intensity (WACI) in metric tons CO2e/$M revenue based on quarterly holdings using data from a third-party provider.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process. Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology and we monitor all PAI indicators through our dedicated PAI dashboard. Our proprietary sustainability framework, which is applied within our Fund's quantitative investment process, considers several key aspects:
- Greenhouse Gas Emissions: We assess the emissions of investment companies, including their carbon footprint, to evaluate their impact on climate change. This is related to PAIs 1, 2, 3, and 4.
- Fossil Fuel Sector Exposure: We analyse the exposure of companies to the fossil fuel sector, considering their involvement in activities related to fossil fuels. This is related to PAIs 1, 2, 3, and 4.
- Biodiversity and Environmental Impact: We evaluate activities that have a negative impact on biodiversity-sensitive areas, as well as emissions to water and hazardous waste. These factors are related to PAIs 7, 8, and 9.
- Gender Pay Gap and Board Diversity: We consider the unadjusted gender pay gap and the diversity of boards within the companies we invest in. These aspects are related to PAIs 12 and 13.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in the Schroders Engagement Blueprint, which outlines our approach to active ownership. For example, the Investment Manager may engage with investee companies on their plans around and disclosure of net zero targets which relates to PAIs 1, 2 and 3. Other topics for engagement may include board gender diversity, related to PAI 13.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two thirds of its assets in equity and equity-related securities of companies worldwide that meet the Investment Manager's sustainability criteria and which also focus on a range of equity factors (also commonly known as investment styles).

Companies will be simultaneously assessed on these equity factors using a fully integrated systematic, bottom-up investment approach.

Relevant equity factors may include the following:

– Low volatility – involves evaluating indicators such as share price movement and historical performance to determine those securities that the Investment Manager believes will experience smaller price movements than the global equity markets on average.

– Momentum – involves evaluating trends in stocks, sectors or countries within the relevant equity market.

– Quality – involves evaluating indicators such as a company's profitability, stability and financial strength.

– Value – involves evaluating indicators such as cash flows, dividends and earnings to identify securities that the Investment Manager believes have been undervalued by the market.

– Sustainability – involves evaluating challenges and opportunities companies face from social, environmental and governance considerations.

The Fund follows a systematic approach, which scores all companies in a broad universe, including the MSCI AC World (Net TR) index, against the above equity factors to create a broadly diversified portfolio. The systematic process seeks to maximise the Fund's expected exposure to the aggregated score against the equity factors, subject to consideration of active risk and transaction costs, while applying additional controls to manage concentration risk across securities, sectors and industries, and unexpected bias towards or away from the benchmark. The Investment Manager reviews the systematic output on regular basis and adjusts to ensure that the desired risk characteristics have been delivered and that the portfolio is appropriate against the equity factors.

The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index, based on the Investment Manager's rating system. It also maintains a carbon intensity at least 50% lower than the MSCI AC World (Net TR) index based on the Weighted Average Carbon Intensity (WACI).

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Fund may invest in companies that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to two years.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

The Investment Manager generally excludes companies with some exposure to business segments it views as harmful to society, such as tobacco, gambling and weapons. To reduce the Fund's carbon risk, the Investment Manager also generally excludes companies with some exposure to thermal coal and oil from tar sands.

The Investment Manager also uses a quantitative assessment to identify companies with sustainable business practices. Sustainability is assessed by considering the overall environmental and social benefits and costs of a company's operations and the strength of its governance practices.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. The Fund's sustainability criteria ensures that the portfolio' overall sustainability profile is improved when compared to the Fund's benchmark. For example, in terms of carbon intensity, the Fund's overall carbon intensity will be at least 50% lower than that of the Fund's benchmark.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity-related securities of companies worldwide.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the MSCI AC World (Net TR) index based on the Investment Manager's rating criteria. It also maintains a carbon intensity at least 50% lower than the MSCI AC World index.
- The Fund invests at least 50% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

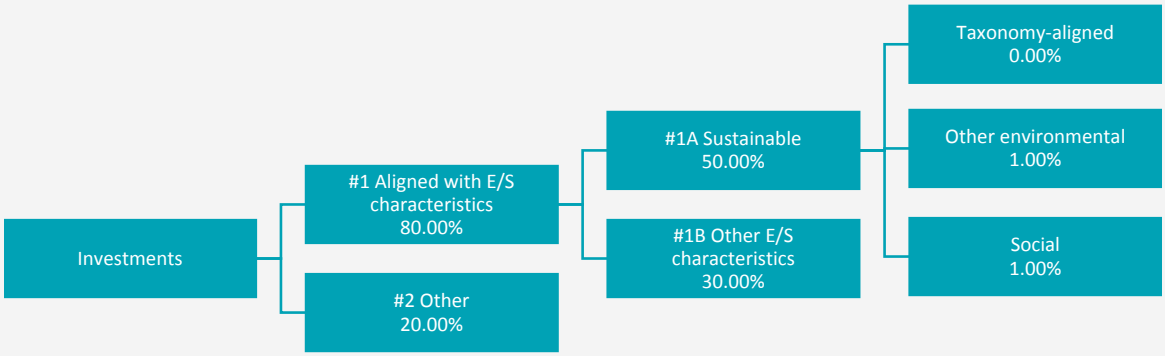
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 80%. The Fund commits to maintain a higher overall sustainability score than the MSCI AC World (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 50% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes, such as Money Market Investments. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

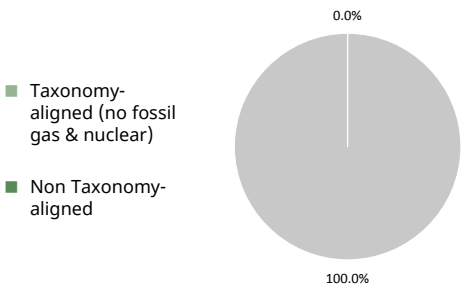
☑ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

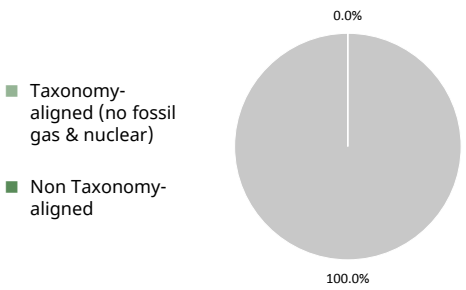
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Sustainable US Dollar High Yield

Legal entity identifier: 549300XZ2TNRMX4VI765

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **50.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Bloomberg US High Yield index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 50% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Bloomberg US High Yield index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Bloomberg US High Yield index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 50% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether the asset is classified as a green, social and/or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is

monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

- **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the issuer analysis as part of the investment process. Schroders' proprietary tool is used which incorporates several PAIs as a component of its scoring methodology. For example, PAI 1 (GHG emissions), PAI 2 (Carbon footprint) and PAI 3 (GHG intensity of investee companies), are included as part of a company's overall environmental score, which is used as part of our issuers analysis within the investment process. All PAI indicators are monitored via Schroders PAI dashboard

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selective investee companies on a range on environmental related topics, such as climate alignment, targets, and transition plans. These relate to environmental PAIs including PAI 1 (GHG emissions), PAI 2 (Carbon footprint) and PAI 3 (GHG intensity of investee companies). Where issuers are flagged on lack of data availability, the Investment Manager may engage with issuers where the primary focus is to increase reporting, quality and availability of PAI data.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard and Poor's or any equivalent of other credit rating agencies) issued by governments, government agencies, supra-nationals and companies worldwide denominated in USD, or other currencies hedged to USD, including emerging market countries.

The Fund maintains a higher overall sustainability score than Bloomberg US High Yield index, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund may invest:

up to 20% of its assets in convertible bonds including up to 15% of its assets in contingent convertible bonds;

up to 20% of its assets in emerging markets countries; and

up to 10% of its assets in asset-backed securities and mortgage-backed securities.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

The strategy applies structural sustainability themes and screens to combine companies that the Investment Manager considers are best-in-class with investments in issuers demonstrating good or improving sustainability credentials. This is achieved by:

The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/or have demonstrated gross misconduct.

The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their industry peers. As part of the selection process, the Investment Manager also considers companies' commitment to sustainable themes such as climate change mitigation, economic inclusion and health and wellbeing.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The Fund may also strategically invest in green, social and sustainable bonds. The selection of green, social and sustainable bonds entails assessing the overall sustainability of the issuer and analysing the use of proceeds. A green bond is a fixed or floating rate security that finances an environmental objective. A social bond is a fixed or floating rate security that finances a social objective. A sustainable bond is a fixed or floating rate security that finances both environmental and social objectives.

The primary sources of information used to perform the analysis are Schroders' proprietary sustainability tools and research, and the Investment Manager's third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of information provided by the companies, including information provided in company sustainability reports and other relevant company material.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of fixed and floating rate securities issued by companies worldwide. The universe (for the purpose of this test only) does not include fixed or floating rate securities issued by public or quasi-public issuers.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Bloomberg US High Yield index based on the Investment Manager's rating criteria.
- The Fund invests at least 50% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more "global norms" thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosures" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

As a result of the application of the Fund's sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments. For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

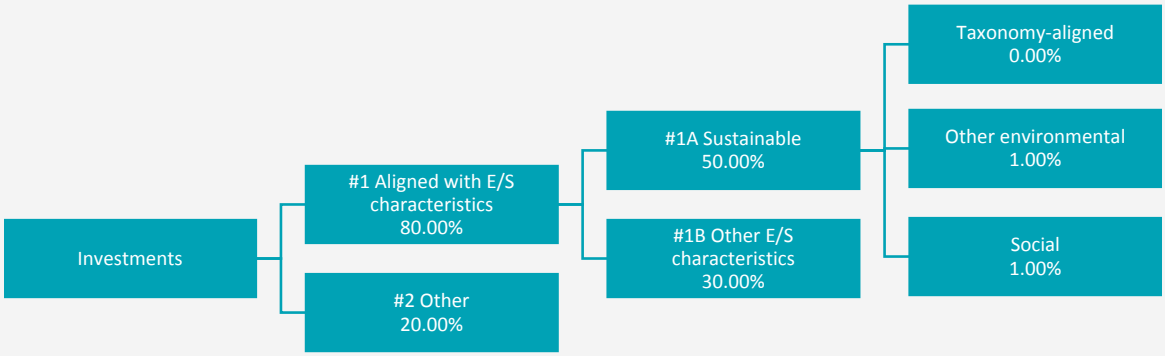
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 80%. The Fund commits to maintain a higher overall sustainability score than the Bloomberg US High Yield index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 50% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

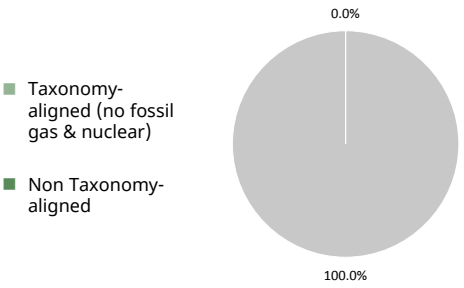
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

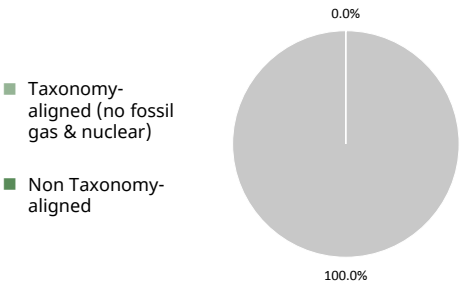
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Swiss Equity

Legal entity identifier: K0IBGMFXVN7F42QXE203

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a positive absolute sustainability score by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

  - **PAI 8** (Emissions to water)

  - **PAI 9** (Hazardous waste and radioactive waste ratio)

- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As part of the issuer level due diligence process, via company analysis from meetings with management teams and on desk analysis of annual reports and statements, several PAIs are considered. These are considered alongside PAIs from Schroders' proprietary tool which incorporates several PAIs as a component of its scoring methodology.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. Engagements may cover a range of topics, including human rights in the technology sector and climate and net zero commitments for held companies within the consumer discretionary sector. These engagements relate to PAIs 16 (Social Violations) and 1, 2, 3 and 5 (GHG emissions, Carbon Footprint, GHG intensity of investee company and Share of non-renewable energy consumption and production).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of Swiss companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Companies in the investment universe are assessed on their governance, environmental and social profile. The Investment Manager performs due diligence on potential holdings and this can include meetings with company management. The Investment Manager aims to identify the impact a business has on society whilst assessing relationships with key stakeholders such as employees, suppliers and regulators. This research is supported by quantitative analysis gained from Schroders' proprietary sustainability tools which are key inputs to assessing how existing and potential investments are meeting the Fund's sustainability criteria.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a positive absolute sustainability score based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a positive absolute sustainability score, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

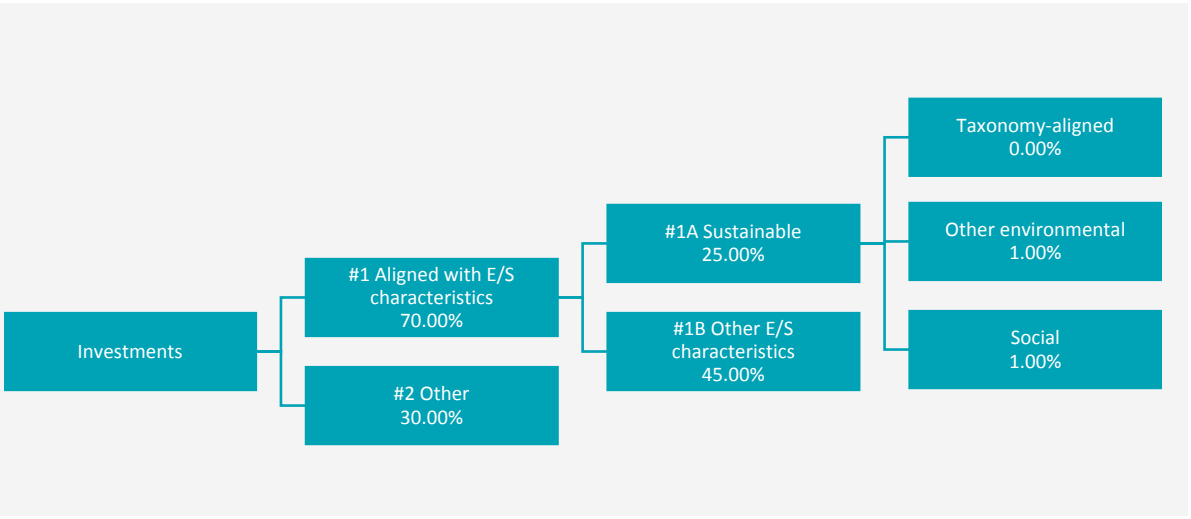
The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an

environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes . #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

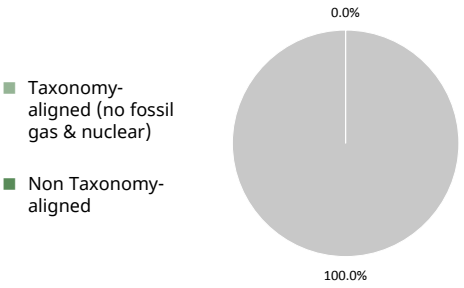
☐ In fossil gas ☐ In nuclear energy

☑ No

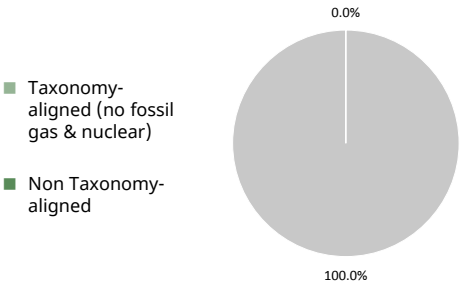
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

How does the designated index differ from a relevant broad market index?

This question is not applicable for the Fund.

Where can the methodology used for the calculation of the designated index be found?

This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund Swiss Small & Mid Cap Equity

Legal entity identifier: VBUW7DMTWG11EOSYCC70

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

No reference benchmark has been designated for the purpose of attaining the environmental or social characteristics promoted by the Fund.

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a positive absolute sustainability score by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)

- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.

Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance

mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As part of the issuer level due diligence process, via company analysis from meetings with management teams and on desk analysis of annual reports and statements, several PAIs are considered. These are considered alongside PAIs from Schroders' proprietary tool which incorporates several PAIs as a component of its scoring methodology.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. Engagements may cover a range of topics, including diversity and inclusion in the technology sector and climate and net zero commitments for held companies within the consumer staples sector. These engagements relate to PAIs 13 (Gender Diversity) and 1, 2, 3 and 5 (GHG emissions, Carbon Footprint, GHG intensity of investee company and Share of non-renewable energy consumption and production).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small and mid-sized Swiss companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the Swiss equities market.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a positive absolute sustainability score, based on the Investment Manager's rating system.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Companies in the investment universe are assessed on their governance, environmental and social profile. The Investment Manager performs due diligence on potential holdings and this can include meetings with company management. The Investment Manager aims to identify the impact a business has on society whilst assessing relationships with key stakeholders such as employees, suppliers and regulators. This research is supported by quantitative analysis gained from Schroders' proprietary sustainability tools which are key inputs to assessing how existing and potential investments are meeting the Fund's sustainability criteria.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a positive absolute sustainability score based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

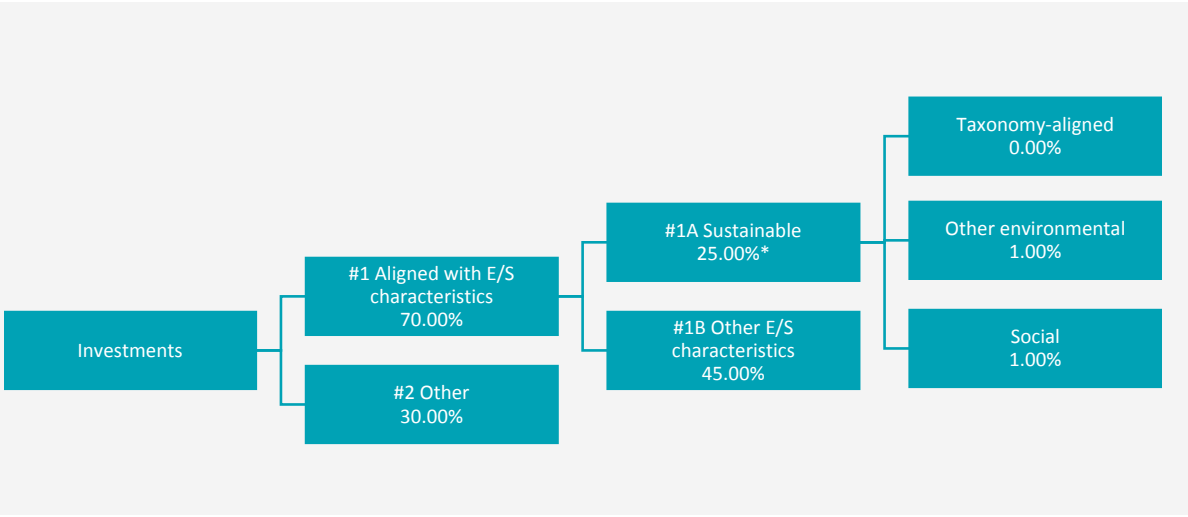
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a positive absolute sustainability score, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

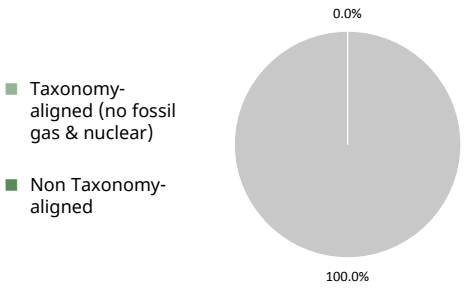
☐ In fossil gas ☐ In nuclear energy

☑ No

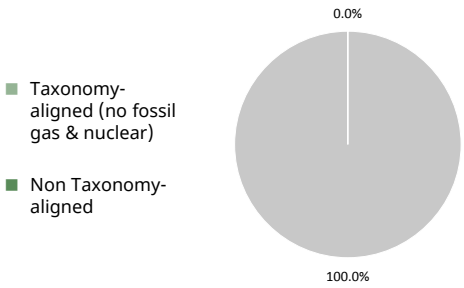
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

environmental or social characteristics that they promote.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund UK Equity

As of 7 December 2026 the Fund's name will change to Schroder International Selection Fund European Core Equity

Legal entity identifier: O3Z02YF8JZJN90D5MT95

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the FTSE All Share Total Return index*, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

**** As of 7 December 2026 the benchmark will change to the MSCI Europe (Net TR) index***

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the FTSE All Share Total Return index* by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the FTSE All Share Total Return index* in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

**** As of 7 December 2026 the benchmark will change to the MSCI Europe (Net TR) index***

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).

- Schroders' 'global norms' breach list which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As part of the issuer level due diligence process, via company analysis from meetings with management teams and on desk analysis of annual reports and statements, several PAIs are considered. These are considered alongside PAIs from Schroders' proprietary tool which incorporates several PAIs as a component of its scoring methodology.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. Engagements may cover a range of topics, including supply chains with companies in the retail sector and climate and net zero with the construction and property sectors. These engagements relate to PAIs 4 (Lack of a supplier code of conduct), and 1, 2, 3 and 5 (GHG emissions, Carbon Footprint, GHG intensity of investee company and Share of non-renewable energy consumption and production).

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No

What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of UK companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the FTSE All Share Total Return index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

As of 7 December 2026 the above five paragraphs will change to:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of European companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the MSCI Europe (Net TR) index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Companies in the investment universe are assessed on their governance, environmental and social profile. The Investment Manager performs due diligence on potential holdings and this can include meetings with company management. The Investment Manager aims to identify the impact a business has on society whilst assessing relationships with key stakeholders such as employees, suppliers and regulators. This research is supported by quantitative analysis gained from Schroders' proprietary sustainability tools which are key inputs to assessing how existing and potential investments are meeting the Fund's sustainability criteria.

The sources of information used to perform the analysis include information provided by the companies, such as company sustainability reports and other relevant company material, as well as Schroders' proprietary sustainability tools and third-party data.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the FTSE All Share Total Return index* based on the Investment Manager's rating criteria.

**** As of 7 December 2026 the benchmark will change to the MSCI Europe (Net TR) index***

- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the FTSE All Share Total Return index*, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

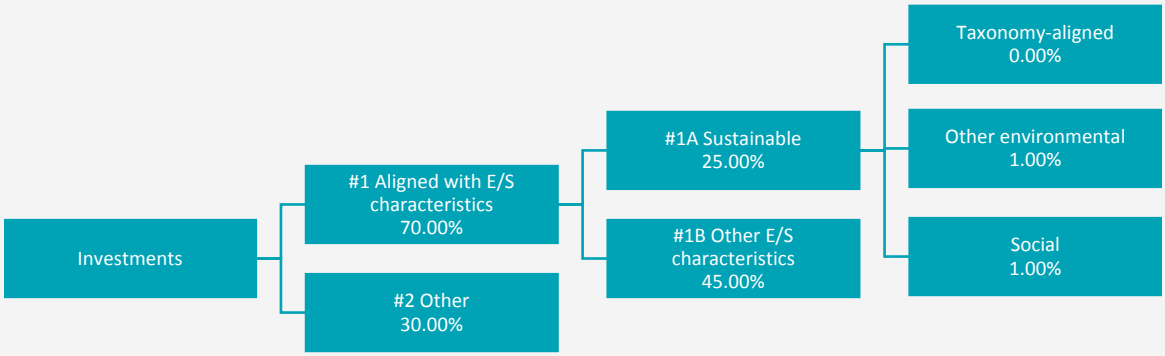
**** As of 7 December 2026 the benchmark will change to the MSCI Europe (Net TR) index***

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes, such as Money Market Investments. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

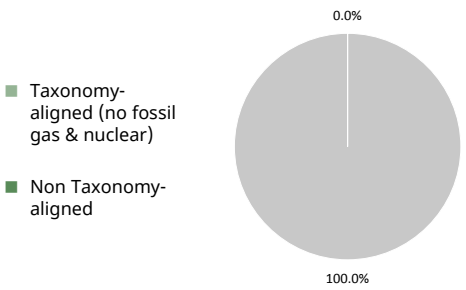
☑ No

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

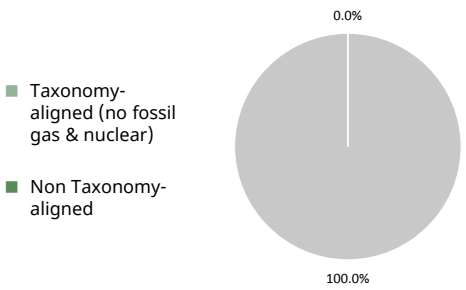
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes, such as Money Market Investments. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund US Dollar Bond

Legal entity identifier: GB3IPB54OX2RMO1Y4781

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **10.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Bloomberg US Aggregate Bond (TR) index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 10% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Bloomberg US Aggregate Bond (TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Bloomberg US Aggregate Bond (TR) index in Schroders' proprietary tool over the previous six-month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 10% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/ or (ii) whether the asset is classified as a green, social and/ or sustainable bond and / or (iii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is

monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health. The environmental or social objectives of green, social and/or sustainable bonds may include, but are not limited to, climate change mitigation, renewable energy initiatives, natural resource conservation, access to finance and affordable housing projects.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
  - **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
  - **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)
- Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons).
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production).
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process as Schroders' proprietary tool incorporates several PAIs as a component of its scoring methodology. In assessing an issuer's overall environmental score PAI 1, 2, 3, 4, 5, and 6 are included.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership. The Investment Manager may engage with selected issuers held by the Fund on PAIs 1, 2, 3 and 4. We aim to engage with several issuers on net zero carbon emissions targets (PAI 1,2), procuring renewable energy (PAI 5).
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in fixed and floating rate securities, including asset-backed securities and mortgage-backed securities, denominated in USD, issued by governments, government agencies and companies worldwide.

The Fund invests in the full credit spectrum of fixed income investments. The Fund may invest:

– up to 40% of its assets directly or indirectly (including via credit default swaps and credit default swap indices) in securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds); and

– up to 70% of its assets in asset-backed securities, commercial mortgage-backed securities, and/or residential mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies).

Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. The Fund may use leverage.

The Fund maintains a higher overall sustainability score than the Bloomberg US Aggregate Bond (TR) index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The strategy aims to identify issuers demonstrating good or improving sustainability credentials, and those that impose a high cost on the environment and society. This involves:

– The exclusion of issuers with certain exposure to specific activities that the Investment Manager considers environmentally destructive or socially damaging, violate human rights and/ or have demonstrated gross misconduct.

– The inclusion of issuers that the Investment Manager considers are well placed to deliver stable and improving sustainability trajectories relative to their peers.

The Investment Manager may also engage with companies to encourage transparency, the transition to a circular economy with lower carbon emissions intensity and responsible social behaviour that promotes sustainable growth and alpha generation.

The primary sources of information used to perform the analysis are the Investment Manager's proprietary tools and research, third-party research, NGO reports and expert networks. The Investment Manager also performs its own analysis of publicly available information provided by the companies, including information provided in company sustainability reports and other relevant company material.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Bloomberg US Aggregate Bond (TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 10% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre. The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

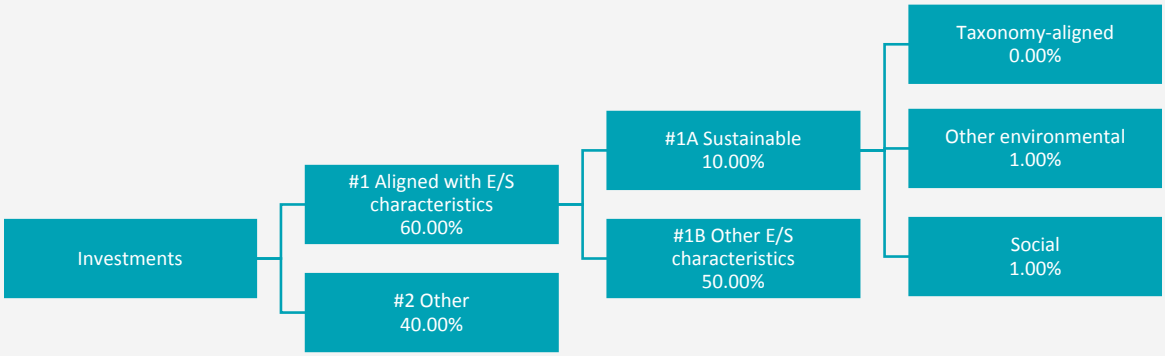
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 60%. The Fund commits to maintain a higher overall sustainability score than the Bloomberg US Aggregate Bond (TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 are any green, social or sustainable bonds that are not scored by Schroders' proprietary sustainability tool. The minimum proportion of assets that are invested in sustainable investments is indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 10% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) is classified as a green, social and/ or sustainable bond using a third-party data source and/ or (iii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. With the exception of any green or social bonds, which will be classified as having an environmental or social objective respectively, a sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

Single name credit default swaps are used as a proxy for direct investments which would otherwise be held by the Fund in line with its sustainability criteria. Such derivatives are therefore used to attain the Fund's sustainability score in Schroders proprietary tool which is one of the binding elements of the Fund. The Fund may use other derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

☐ In fossil gas ☐ In nuclear energy

☑ No

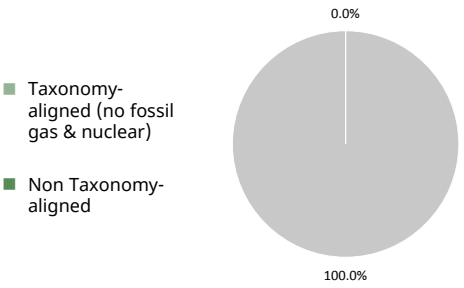
[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

comprehensive safety and waste management rules.

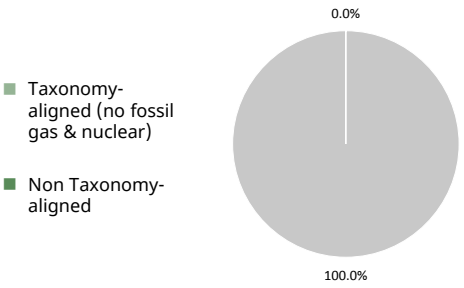
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes other investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund US Large Cap

Legal entity identifier: 58S8FGQ4I54XKR7MC293

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the Standard & Poor's 500 (Net TR) index based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the Standard & Poor's 500 (Net TR) index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the Standard & Poor's 500 (Net TR) index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and/or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders. Compliance with this is monitored daily via our automated compliance controls.

The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/or (ii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/oursustainable-investment-policies-disclosures-voting-reports/group-exclusions/
- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.
- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.
- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)

- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

– Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.

PAIs are considered as part of pre-investment through the application of exclusions. These include:

- Controversial weapons: PAI 14 (Exposure to controversial weapons, such as anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack

of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).

- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)

Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.

PAIs are also considered through integration in the investment process. As part of the investment process, Schroders' proprietary tool is used which incorporates several PAIs as a component of its scoring methodology. For example, PAI 2, 3, 4, 5, 6 (Greenhouse gas emissions) and PAI 4 from Annex 1 Table 2 (Investments in companies without carbon emission reduction initiatives) are included as part of a company's overall environmental score. These PAIs, amongst others, are embedded wit

hin our investment process, informing our view on business risk and long-term growth drivers. PAI 13 (Board gender diversity) is also considered as part of our assessment of management quality and company strategy. PAI 6, PAI 4 from Annex 1 Table 2 and PAI 14 from Annex 1 Table 3 (Number of identified cases of severe human rights issues and incidents) are considered relative to industry peers and poor performance issuers on these metrics/ indicators receive higher risk scores in our assessment and form the basis of our engagement activities.

All PAI indicators are monitored via Schroders' PAI dashboard.

PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in the Schroders Engagement Blueprint, which outlines our approach to active ownership.

Where issuers are flagged on lack of data availability for any PAIs, the Investment Manager may engage with issuers where the primary focus is to increase reporting.

Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in the equity and equity related securities of large-sized US companies. Large-sized companies are companies which, at the time of purchase, are considered to be in the top 85% by market capitalisation of the US equities market.

The Fund may invest in the equity securities of non-US companies provided they are listed on one of the major North American stock exchanges.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash (subject to the restrictions provided in Appendix I).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the Standard & Poor's 500 (Net TR) index based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

The Investment Manager evaluates issuers against a range of environmental, social and governance factors in order to decide whether an issuer is eligible for the Fund's portfolio. This analysis is performed by global sector specialists and local analyst teams and is supported by Schroders' dedicated Sustainable Investment team. The Investment Manager uses Schroders' proprietary sustainability tools to provide a baseline assessment that contributes to the overall ESG appraisal of a company. Additionally, meetings with company management inform the Investment Manager's view, providing further insights on corporate culture and senior management commitment to corporate social responsibility. While it is not necessary for every investment selected to exhibit positive ESG characteristics, the Investment Manager will ensure that in aggregate, the portfolio demonstrates a positive score relative to the benchmark specified in the investment policy.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

90% of the portion of the NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

75% of the portion of the NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the Standard & Poor's 500 (Net TR) index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.
- The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

What is the policy to assess good governance practices of the investee companies?

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

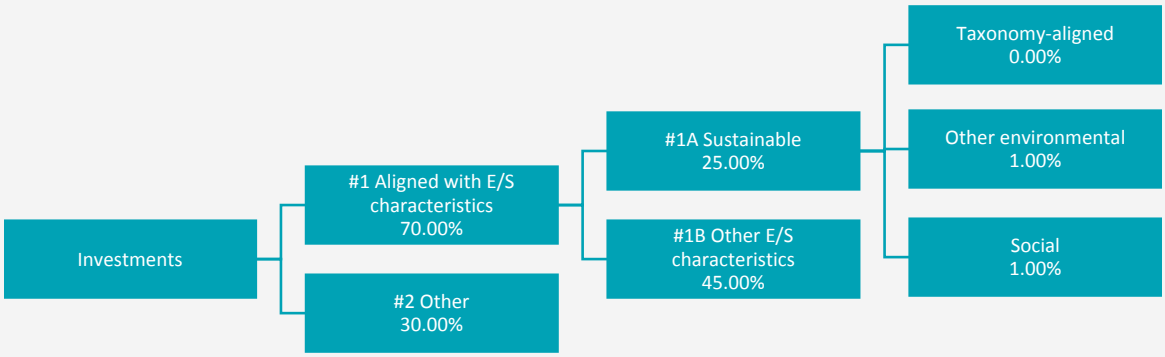
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the Standard & Poor's 500 (Net TR) index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a

positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher. The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as measured by Schroders' proprietary tool and/or (ii) contributes to an environmental and/or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[2]?

☐ Yes:

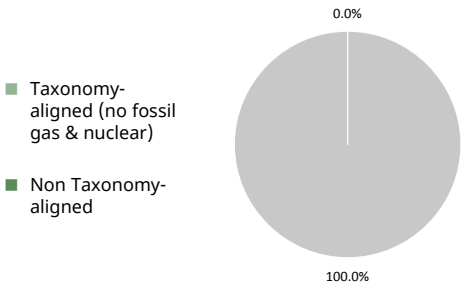
☐ In fossil gas ☐ In nuclear energy

☑ No

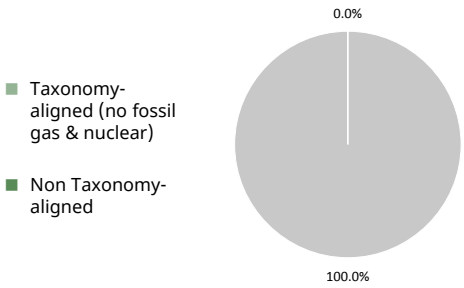
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

Transitional activities are activities for which low-carbon

[2] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.



What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.



What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.



Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre”

Pre-contractual disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund US Small & Mid-Cap Equity

Legal entity identifier: 9NVHRLTYJON1ZJWFO660

Environmental and/or social characteristics

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☐ Yes	●○ ☑ No
☐ It will make a minimum of **sustainable investments with an environmental objective: __%**	☑ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **25.00%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☑ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☑ with a social objective
☐ It will make a minimum of **sustainable investments with a social objective __%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

What environmental and/or social characteristics are promoted by this financial product?

The Fund maintains a higher overall sustainability score than the S&P Mid Cap 400 Lagged (Net TR) Index, based on the Investment Manager's rating system. This benchmark (which is a broad market index) does not take into account the environmental and social characteristics promoted by the Fund.

The sustainability score is measured by Schroders' proprietary tool that provides an aggregate estimate of the social and environmental costs and benefits that an issuer may create. It does this by scoring the issuer against a list of indicators – scores may be positive (for example, when an issuer pays more than average living wages) or negative (for example, when an issuer emits carbon). It does this using third party data as well as Schroders' own estimates and assumptions and the outcome may differ from other sustainability tools and measures.

The result is expressed as an aggregate score of the sustainability indicators for each issuer, specifically a notional percentage (positive or negative) of sales or GDP of the relevant underlying issuer. For example, a score of +2% would mean that for every $100 of sales the issuer generates, it would provide a net positive contribution to society and/or the environment of $2. The sustainability score of the Fund is derived from the scores of all eligible issuers in the Fund's portfolio measured by Schroders' proprietary tool.

The Fund invests at least 25% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of one or more environmental and/or social objective (s).

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?

The Investment Manager monitors compliance with the characteristic to maintain a higher overall sustainability score than the S&P Mid Cap 400 Lagged (Net TR) Index by reference to the weighted average sustainability score of the Fund in Schroders' proprietary tool compared against the weighted average sustainability score of the S&P Mid Cap 400 Lagged (Net TR) Index in Schroders' proprietary tool over the previous six month period, based on month-end data. The overall sustainability score aggregates the effect of sustainability indicators including but not limited to greenhouse gas emissions, water usage, and salaries compared to the living wage.

The Investment Manager monitors compliance with the characteristic to invest at least 25% of its assets in sustainable investments by reference to (i) the sustainability score of each asset in Schroders' proprietary tool and / or (ii) whether an asset is deemed sustainable on an exceptional basis by Schroders.

Compliance with this is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?

In respect of the proportion of the Fund's portfolio that is invested in sustainable investments, each sustainable investment either (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. The environmental or social objectives of the sustainable investments that the Fund partially intends to make may include, but are not limited to, increasing environmental and/or social benefits such as greater water access or fair pay and reducing environmental, and/or social costs such as carbon emissions or food waste. For example, greater water access as measured by Schroders' proprietary tool are the estimated societal benefits of the provision of clean drinking water to human health.

How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

- Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

- The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

- The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):

  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)

- **PAI 8** (Emissions to water)
- **PAI 9** (Hazardous waste and radioactive waste ratio)
- **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)
- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)
- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.**2. Qualitative**: This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.

The EU Taxonomy sets out a "do not significant harm" principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific EU criteria.

The "do not significant harm" principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Any other sustainable investments must also not significantly harm any environmental or social objectives.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for

Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process. As part of the investment process, Schroders' proprietary tool is used which incorporates several PAIs as a component of its scoring methodology. All PAI indicators are monitored via Schroders PAI dashboard.
A sustainable investment analyst within the investment team regularly considers the Fund's PAI indicators on behalf of the team via Schroders PAI dashboard. The PAI data is reviewed on a monthly basis and adverse impacts of PAIs relevant to our strategy which may be of concern are flagged.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.
The investment team's experience and knowledge about companies' histories including the establishment of strong relationships with company management teams allow us to undertake constructive and effective engagements on PAIs.
The investment team holds approximately 600 company meetings a year with a focus on the long-term viability of the company's business model, financials and governance. We typically engage on PAI 1 GHG emissions, PAI 2 Carbon Footprint, PAI 8 Emissions to water, PAI 12 Gender pay gap and PAI 13 Board gender diversity.
We have developed a voting policy in partnership with our corporate governance team. Our team takes all opinions into account, but our analyst makes the ultimate decision regarding how we vote.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests at least two-thirds of its assets in equity and equity related securities of small and mid-sized US companies. These are companies which, at the time of purchase, are considered to be in the bottom 40% by market capitalisation of the US equities market.

The Fund invests in a broad range of small and mid-sized US companies. The investment approach focuses on three types of US companies: companies that the Investment Manager believes demonstrate strong growth trends and improving levels of cash; companies which the Investment Manager believes generate dependable earnings and revenues; and companies that the Investment Manager believes are undergoing positive change that is not being recognised by the market. By doing so, the Investment Manager believes that we can reduce overall risk and improve returns for our investors over the medium to long term.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with aim of reducing risk or managing the Fund more efficiently.

The Fund maintains a higher overall sustainability score than the S&P Mid Cap 400 Lagged (Net TR) Index, based on the Investment Manager's rating criteria.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Investment Manager applies governance and sustainability criteria when selecting investments for the Fund.

Companies in the investment universe are assessed on their governance, environmental and social profile, across a range of factors.

The Investment Manager performs its own due diligence on potential holdings including, where possible, meetings with senior management. The Investment Manager analyses information provided by the companies, including information provided in company sustainability reports and other relevant company material. The Investment Manager will also scrutinise other disclosures, including third party reports, and will typically engage with the company during the assessment process and afterwards if the company is selected for the portfolio.

This assessment is supported by quantitative analysis from Schroders' proprietary sustainability tools. Through such tools, analysts are able to compare companies based on the metrics selected, their own company assessment scores or adjusted rankings (size, sector or region), with the flexibility to make company specific adjustments to reflect their detailed knowledge.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage

https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund maintains a higher overall sustainability score than its investment universe, based on the Investment Manager's rating system.

The Investment Manager ensures that at least:

– 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and

– 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria. For the purposes of this test, small companies are those with market capitalisation below €5 billion, medium companies are those between €5 billion and €10 billion and large companies are those above €10 billion.

What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?

The following binding elements are applied throughout the investment process:

- The Fund maintains a higher overall sustainability score than the S&P Mid Cap 400 Lagged (Net TR) Index based on the Investment Manager's rating criteria.
- The Fund invests at least 25% of its assets in sustainable investments and such investments do not cause significant environmental or social harm.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. In exceptional circumstances a derogation may be applied in order to allow the Fund to continue to hold a company on Schroders' 'global norms' breach list, for example where the stated investment strategy of the Fund may otherwise be compromised. Any such company cannot be categorised as a sustainable investment. Further, the Fund may apply other exclusions as listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager ensures that at least:

- 90% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in developed countries; fixed or floating rate securities and money market instruments with an investment grade credit rating; and sovereign debt issued by developed countries; and
- 75% of the portion of the Fund's NAV composed of equities issued by large companies domiciled in emerging countries; equities issued by small and medium companies; fixed or floating rate securities and money market instruments with a high yield credit rating; and sovereign debt issued by emerging countries,

is rated against the sustainability criteria.

What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?

This question is not applicable for the Fund.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars.

Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.

What is the asset allocation planned for this financial product?

Asset allocation describes the share of investments in specific assets.

The planned composition of the Fund's investments that are used to meet its environmental or social characteristics are summarised below.

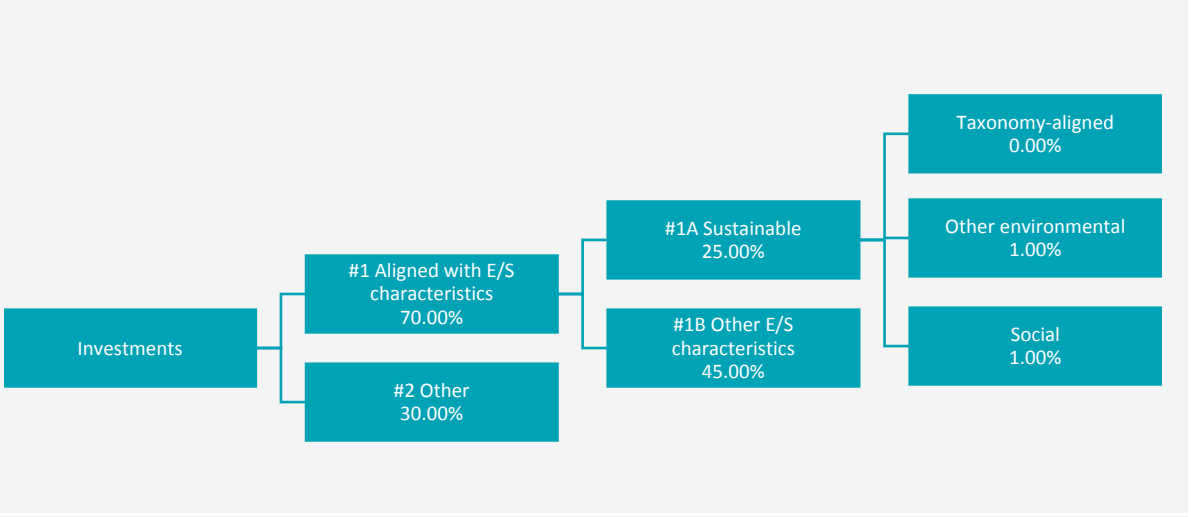
#1 Aligned with E/S characteristics includes the minimum proportion of the Fund's assets used to attain the environmental or social characteristics, which is equal to 70%. The Fund commits to maintain a higher overall sustainability score than the S&P Mid Cap 400 Lagged (Net TR) Index, and so the Fund's investments that are scored by Schroders' proprietary sustainability tool are included within the minimum proportion stated in #1 on the basis that they will contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score). Also included within #1 is the minimum proportion of assets that are invested in sustainable investments, as indicated in #1A. The minimum proportions stated apply in normal market conditions. The actual proportion stated in #1 is expected to be higher.

The Fund will invest at least 25% of its assets in sustainable investments. Each sustainable investment (i) demonstrates a net positive effect across a range of environmental or social objectives, as scored by Schroders' proprietary tool and/ or (ii) contributes to an environmental and/ or a social objective such that it is deemed sustainable on an exceptional basis by Schroders. A sustainable investment is classified as having an environmental or social objective depending on whether the relevant issuer has a higher score in Schroders' proprietary tool relative to its applicable peer group for its environmental indicators or its social indicators. In each case, indicators are comprised of both "costs" and "benefits".

#2 Other includes cash which is treated as neutral for sustainability purposes, such as Money Market Investments. #2 also includes investments that are not scored by Schroders' proprietary sustainability tool and so do not contribute towards the Fund's sustainability score. As #1 states a minimum proportion that is in practice expected to be higher, the proportion stated in #2 is expected to be lower.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Aligned with E/S characteristics includes the investments of the financial product used to attain the environmental or social characteristics promoted by the financial product.

#2 Other includes the remaining investments of the financial product which are neither aligned with the environmental or social characteristics, nor are qualified as sustainable investments.

The category **#1 Aligned with E/S characteristics** covers:
- The sub-category **#1A Sustainable** covers sustainable investments with environmental or social objectives.
- The sub-category **#1B Other E/S characteristics** covers investments aligned with the environmental or social characteristics that do not qualify as sustainable investments.

#1 The minimum proportion stated applies in normal market conditions.

How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?

The Fund may use derivatives that are scored in Schroders' proprietary tool to meet the environmental and/or social characteristics promoted by the Fund, as such derivatives would contribute to the Fund's sustainability score (whether such individual investment has a positive or a negative score).

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

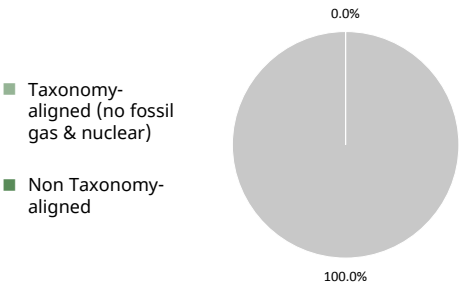
☐ In fossil gas ☐ In nuclear energy

☑ No

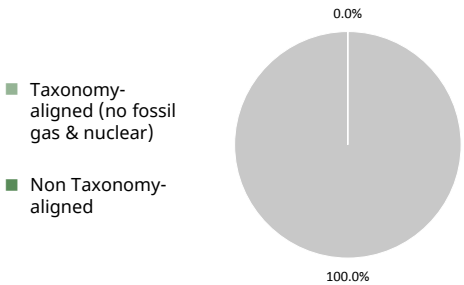
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments[2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 1% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under the EU Taxonomy.

What is the minimum share of socially sustainable investments?

The Fund commits to invest at least 1% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Other", what is their purpose and are there any minimum environmental or social safeguards?

#2 Other includes cash which is treated as neutral for sustainability purposes. #2 also includes investments that are not scored by Schroders' proprietary sustainability tools and so do not contribute towards the Fund's sustainability score.

Minimum safeguards are applied where relevant to Money Market Investments and other investments by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

Reference benchmarks are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

Pre-contractual disclosure for the financial products referred to in Article 9, paragraphs 1 to 4a, of Regulation (EU) 2019/2088 and Article 5, first paragraph, of Regulation (EU) 2020/852

Product name: Schroder International Selection Fund US Smaller Companies Impact

Legal entity identifier: RHJGQ85DVCNQ0T8OGL26

Sustainable investment objective

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good Governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. For the time being, it does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Does this financial product have a sustainable investment objective?

●● ☑ Yes	●○ ☐ No
☑ It will make a minimum of **sustainable investments with an environmental objective: 10.00%**	☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of **__%** of sustainable investments
☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
☑ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	☐ with a social objective
☑ It will make a minimum of **sustainable investments with a social objective 10.00%**	☐ It promotes E/S characteristics, but **will not make any sustainable investments**

The Fund commits to invest at least 90% of its assets in sustainable investments. Within this overall commitment, there is a minimum commitment to invest at least 10% of its assets in sustainable investments with an environmental objective and at least 10% of its assets in sustainable investments with a social objective.

What is the sustainable investment objective of this financial product?

The Fund's sustainable investment objective is to invest its assets in small-sized US companies that the Investment Manager expects to contribute positive impact by advancing an environmental or social objective linked to one or more of the UN SDGs, and to deliver returns to shareholders over the long term. The Fund may also invest in investments that the Investment Manager deems to be neutral under its sustainability criteria, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Investment Manager will select companies from a universe of eligible companies that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of the company's contribution to the UN SDGs alongside the Investment Manager's assessment of the company via its proprietary scorecard. The investment process is aligned with the Operating Principles for Impact Management.

No reference benchmark has been designated for the purpose of attaining the sustainable investment objective.

Sustainability indicators measure how the sustainable objectives of this financial product are attained.

What sustainability indicators are used to measure the attainment of the sustainable investment objective of this financial product?

The Investment Manager is responsible for determining whether an investment meets the criteria of a sustainable investment. The Investment Manager uses a combination of a revenue based approach in this assessment, by considering whether a certain percentage of the relevant issuer's revenues, capital expenditure or operating expenditure contributes to an environmental or social objective (as applicable), and specific sustainability key performance indicators to assess the investment's contribution to an environmental or social objective (as applicable). The output of the Investment Strategy outlined below is the production of the list of investments that meet the selection criteria, this represents the investment universe. Compliance with the minimum percentage in sustainable investments is monitored daily via our automated compliance controls. The Fund also applies certain exclusions, with which the Investment Manager monitors compliance on an ongoing basis via its portfolio compliance framework.

The Investment Manager uses different sustainability indicators to measure the impact contribution at an investee company level. In particular, the Investment Manager uses a quantitative screening tool to identify companies that derive a certain minimum percentage of their revenues from whose main activity

is contributing to an environmental or social objective. In addition, there is a detailed impact assessment of every company via the completion of a proprietary scorecard. The impact scorecard focuses on the impact that a company's products and services are expected to have. The Investment Manager considers different aspects of impact such as: what outcome and UN SDGs the company is contributing to; who is served by the outcome (such as the relevant stakeholder or industry); an assessment of our expected contribution (including Schroders influence and engagement); and consideration of impact risks. The assessment includes tracking Key Performance Indicators (KPIs) that are used to measure and monitor the company's impact over time via an annual review.

Once these steps have been completed, the company and scorecard are then validated and approved by Schroders' Impact Assessment Group (IAG), in order for the company to be eligible for inclusion in the Fund's investible universe. The IAG consists of members from Schroders' impact and sustainable investment teams and members of the investment team.

More details on how the Investment Manager ensures that investments are made with the objective to generate a positive social or environmental impact alongside a financial return within the Fund are available at https://www.schroders.com/en/global/individual/impact-investing/

How do sustainable investments not cause significant harm to any environmental or social sustainable investment objective?

The Investment Manager's approach to investing in issuers that do not cause significant harm to any environmental or social sustainable investment objective includes the following:

Firm-wide investment exclusions apply to Schroders funds. These relate to international conventions on cluster munitions, anti-personnel mines, and chemical and biological weapons and thermal coal mining. Further information and a list of excluded controversial weapons companies is available at https://www.schroders.com/en/global/individual/about-us/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/group-exclusions/

The Fund excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal.

The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Schroders' determination of whether a company has been involved in such a breach considers relevant principles such as those contained in the UN Global Compact (UNGC) principles, the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. The 'global norms' breach list may be informed by assessments performed by third party providers and by proprietary research, where relevant to a particular situation.

- The Fund may also apply certain other exclusions in addition to those summarised above.

Further information on all of the Fund's investment exclusions is to be found under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre.

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anticorruption and antibribery matters.

How have the indicators for adverse impacts on sustainability factors been taken into account?

When seeking to identify significant harm, Schroders' approach to taking into account the Principal Adverse Impacts (PAI) indicators involves a quantitative and a qualitative assessment. Where it is not considered appropriate or feasible to set quantitative thresholds, the Investment Manager engages, where relevant. Investee companies deemed not to satisfy the quantitative thresholds would generally be excluded, unless on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area.

This framework is subject to ongoing review, particularly as the availability and quality of the data evolves.

Our approach includes:

1. **Quantitative:** this includes indicators where specific thresholds have been established:

- Via the application of exclusions. This approach is relevant to **PAI 4** (Exposure to companies active in the fossil fuel sector), **PAI 5** (Share of non-renewable energy consumption and production) and **PAI 14** (Exposure to controversial weapons). Further, the following PAIs are assessed as part of Schroders 'global norms' breach list exclusion (which seeks to exclude companies where significant harm is occurring):
  - **PAI 7** (Activities negatively affecting biodiversity-sensitive areas)
  - **PAI 8** (Emissions to water)
  - **PAI 9** (Hazardous waste and radioactive waste ratio)
  - **PAI 10** (Violations of UN Global Compact principles and Organisation for Economic Cooperation and Development Guidelines for Multinational Enterprises)

- **PAI 11** (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises)

- **PAI 14** in Table 3 (Number of identified cases of severe human rights issues and incidents)

Via the application of an alert system flag if the relevant indicator(s) exceeds a threshold. These quantitative thresholds to assess significant harm are established centrally by our Sustainable Investment team and monitored systematically. This approach applies to indicators where we have segmented the population into harm groups to establish a threshold, such as carbon related PAI metrics, **PAI 1** (GHG emissions), **PAI 2** (Carbon footprint) and **Voluntary PAI 4 in Table 2** (Investing in companies without carbon emission reduction initiatives). **PAI 3** (GHG intensity of investee companies) operates in a similar way but the threshold is based on a revenue metric. A threshold for **PAI 6** (Energy consumption intensity per high impact climate sector) is established based on the above-mentioned carbon measures. A similar approach has been taken for **PAI 15** (GHG intensity). **PAI 16** (Investee countries subject to social violations) also operates in the same way but based on data availability regarding social violations. Through this process the relevant issuer(s) that is/are deemed not to satisfy the quantitative thresholds is/are flagged to the Investment Manager for consideration, whose response may involve selling the holdings(s) or maintaining the position if on a case-by-case basis the data is deemed not representative of a company's performance in the relevant area. Investee companies deemed to cause significant harm are excluded from the Fund.

2. **Qualitative:** This includes PAI indicators where Schroders' believes that the data available does not enable us to make a quantitative determination regarding whether significant harm is done so as to warrant excluding an investment. In such cases, the Investment Manager engages wherever possible with the company or companies held, in accordance with the priorities documented in Schroders' Engagement Blueprint and/or voting policy. This approach applies to indicators such as **PAI 12** (Unadjusted gender pay gap) and **PAI 13** (Board gender diversity), where we engage and may use our voting rights where we consider appropriate. Both board gender diversity and disclosure of gender pay gap information are captured in our Engagement Blueprint.

How are the sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights?

Companies on Schroders' 'global norms' breach list cannot be categorised as sustainable investments. Schroders' determination of whether a company should be included on such list considers the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, among other relevant principles. The 'global norms' breach list is informed by third party providers and proprietary research, where relevant.



Does this financial product consider principal adverse impacts on sustainability factors?

☑ Yes.

The Investment Manager's approach to considering principal adverse impacts on sustainability factors differs depending on the relevant indicator. Some indicators are considered via the application of exclusions, some are considered via the investment process (where data is available via Schroders PAI dashboard and via other external data sources) and some are considered via engagement. Further details are provided below.
PAIs are considered as part of pre-investment through the application of exclusions. These include:
- Controversial weapons: PAI 14 (Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons and biological weapons)
- Schroders' 'global norms' breach list, which covers: PAI 7 (Activities negatively affecting biodiversity-sensitive areas), PAI 8 (Emissions to water), PAI 9 (Hazardous waste and radioactive waste ratio), PAI 10 (Violations of UN Global Compact principles and OECD Guidelines for Multinational Enterprises), PAI 11 (Lack of processes and compliance mechanisms to monitor compliance with UN Global Compact principles and OECD Guidelines for Multinational Enterprises) and PAI 14 in Table 3 (Number of identified cases of severe human rights issues and incidents).
- Companies that derive revenues above certain thresholds from activities related to thermal coal: PAI 4 (Exposure to companies active in the fossil fuel sector) and PAI 5 (Share of non-renewable energy consumption and production)
Compliance with these thresholds is monitored via the Investment Manager's portfolio compliance framework.
PAIs are also considered through integration in the investment process. As part of the investment process, Schroders' proprietary tool is used which incorporates several PAIs as a component of its scoring methodology. All PAI indicators are monitored via Schroders PAI dashboard.
A sustainable investment analyst within the investment team regularly considers the Fund's PAI indicators on behalf of the team via Schroders PAI dashboard. The PAI data is reviewed on a monthly basis and adverse impacts of PAIs relevant to our strategy which may be of concern are flagged.
PAIs are also considered post-investment through engagement where the Investment Manager engages in line with the approach and expectations set out in Schroders Engagement Blueprint, which outlines our approach to active ownership.
The investment team's experience and knowledge about companies' histories including the establishment of strong relationships with company management teams allow us to undertake constructive and effective engagements on PAIs.

The investment team holds approximately 600 company meetings a year with a focus on the long-term viability of the company's business model, financials and governance. We typically engage on PAI 1 GHG emissions, PAI 2 Carbon Footprint, PAI 8 Emissions to water, PAI 12 Gender pay gap and PAI 13 Board gender diversity.
We have developed a voting policy in partnership with our corporate governance team. Our team takes all opinions into account, but our analyst makes the ultimate decision regarding how we vote.
Our approach is subject to ongoing review, particularly as the availability, and quality, of PAI data evolves. The Management Company's statement on principal adverse impacts on sustainability factors is available at https://api.schroders.com/document-store/id/ffcb39bb-96cb-4e56-9461-deba9a493e85. The Fund level information is disclosed or will be disclosed (as applicable) in the Fund's annual report.

☐ No



What investment strategy does this financial product follow?

The investment strategy guides investment decisions based on factors such as investment objectives and risk tolerance.

The sustainable investment strategy used by the Investment Manager is as follows:

The Fund is actively managed and invests its assets in (i) sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs, and to deliver returns to shareholders over the long term, and (ii) investments that the Investment Manager deems to be neutral under its sustainability criteria such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

The Investment Manager will select companies from a universe of eligible companies that have been determined as meeting the Investment Manager's impact criteria. The impact criteria include an assessment of the company's contribution to the UN SDGs alongside the Investment Manager's assessment of the company's impact via its proprietary impact investment management framework and tools (including an impact scorecard).

The Fund is part of Schroders' Impact Driven strategies. As such, it applies highly selective investment criteria and its investment process is aligned with the Operating Principles for Impact Management which means that an assessment of impact is embedded in the steps of the investment process. All sustainable investments in the Fund are subject to this framework.

The Fund does not directly invest in certain activities, industries or groups of issuers above the limits listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre

The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.

The Investment Manager may also engage with companies held by the Fund to seek to improve sustainability practices and enhance social and environmental impacts generated by underlying investee companies. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the webpage https://www.schroders.com/en-lu/lu/individual/what-we-do/sustainable-investing/our-sustainable-investment-policies-disclosures-voting-reports/disclosures-and-statements/

The Fund invests at least two-thirds of its assets in a concentrated range of equity and equity related securities of small-sized US companies. These are companies which, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the US equities market. The Fund typically holds 40 – 60 companies.

The Fund may also invest up to one-third of its assets directly or indirectly in other securities (including other asset classes), countries, regions, industries or currencies, Investment Funds, warrants and Money Market Investments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

The Investment Manager applies sustainability criteria when selecting investments for the Fund.

Investments are composed of companies whose products and services contribute positively to at least one of the UN SDGs. In order to identify companies with a direct link to a UN SDG, the Investment Manager applies a two step approach:

The first is a revenue based approach that considers whether a certain percentage of the relevant company's revenues, capital expenditure or operating expenditure contributes to an environmental or social objective (as applicable).

The second is a detailed impact assessment of the company via the completion of a proprietary impact scorecard. The Investment Manager considers different aspects of impact such as: what outcome and UN SDGs the company is contributing to; who is served by the outcome (such as the relevant stakeholder or industry); an assessment of our expected contribution (including Schroders influence and engagement); and consideration of impact risks. The assessment typically includes Key Performance Indicators (KPIs) that are used to track the company's impact over time.

The company and impact scorecard are then validated and approved by Schroders' Impact Assessment Group (IAG), in order for the company to be eligible for inclusion in the Fund's investible universe. The IAG consists of members from Schroders' impact and sustainable investment teams and members of the investment team. There may be some limited instances where step 2 and the IAG approval may follow subsequently (such as a particularly time sensitive investment).

The Investment Manager has identified three types of companies that will typically be considered for inclusion in the portfolio.

The first type are highly innovative companies whose business model solves a direct need within the SDGs. These are growth companies whose solution to an SDG gap can be scaled.

The second type are companies that are already generating revenues that have an impact, but do not articulate or highlight that impact. These are companies the Investment Manager can identify due to its deep understanding of the US Small Cap universe where it sees a re-rating opportunity. In so doing the companies can better articulate and become more transparent about their impact opportunity. This is expected to be the largest group in the Fund's portfolio.

The third type will tend to have the lowest level of revenue link. These are companies whose business models are transitioning towards higher impact activities and where the Investment Manager sees the ability to help guide such companies on that journey with active engagement. This is expected to be the smallest group in the Fund's portfolio.

Each investment must have some revenue linking to an SDG. Based on where the investment falls within the three types the level of linked revenue will vary.

The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria. As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

For the purposes of this test, the potential investment universe is the core universe of issuers that the Investment Manager may select for the Fund prior to the application of sustainability criteria, in accordance with the other limitations of the Investment Objective and Policy. This universe is comprised of equity and equity related securities of small-sized US companies or companies which derive a significant proportion of their revenues or profits from small-sized US companies.

What are the binding elements of the investment strategy used to select the investments to attain the sustainable investment objective?

The following binding elements are applied throughout the investment process:

- The Fund is actively managed and invests at least 90% of its assets in sustainable investments, which are investments that the Investment Manager expects to contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs, and to deliver returns to shareholders over the long term.
- Exclusions are applied to direct investments in companies. The Fund applies certain exclusions relating to international conventions on cluster munitions, antipersonnel mines, and chemical and biological weapons. The Fund also excludes companies that derive revenues above certain thresholds from activities related to tobacco and thermal coal, especially companies that generate revenues from tobacco production or any other part of the tobacco value chain (suppliers, distributors, retailers, licensors), and companies that generate revenues from thermal coal mining and coal fired power generation. The Fund excludes companies that are assessed by Schroders to have breached one or more 'global norms' thereby causing significant environmental or social harm; these companies comprise Schroders' 'global norms' breach list. Details of the revenue thresholds together with certain other exclusions the Fund applies are listed under "Sustainability-Related Disclosure" on the Fund's webpage https://www.schroders.com/en-lu/lu/individual/fund-centre
- The Fund invests in companies that do not cause significant environmental or social harm and have good governance practices, as determined by the Investment Manager's rating criteria.
- The Investment Manager ensures that at least 90% of the portion of the Fund's Net Asset Value composed of investments in companies is rated against the sustainability criteria.
- As a result of the application of sustainability criteria, at least 20% of the Fund's potential investment universe is excluded from the selection of investments.

Good governance practices include sound management structures, employee relations, remuneration of staff and tax compliance.

What is the policy to assess good governance practices of the investee companies?

In order to assess good governance practices, a central Good Governance Test is applied. This test is based on a data-driven quantitative framework, which uses a scorecard to assess companies across the categories of sound management structures, employee relations, remuneration of staff, and tax compliance. Schroders has defined a number of criteria across these pillars. Compliance with the test is monitored centrally and companies which do not pass this test cannot be held by the Fund, unless the Investment Manager has agreed that the issuer demonstrates good governance based on additional insights beyond that quantitative analysis.



What is the asset allocation and the minimum share of sustainable investments?

Asset allocation describes the share of investments in specific assets.

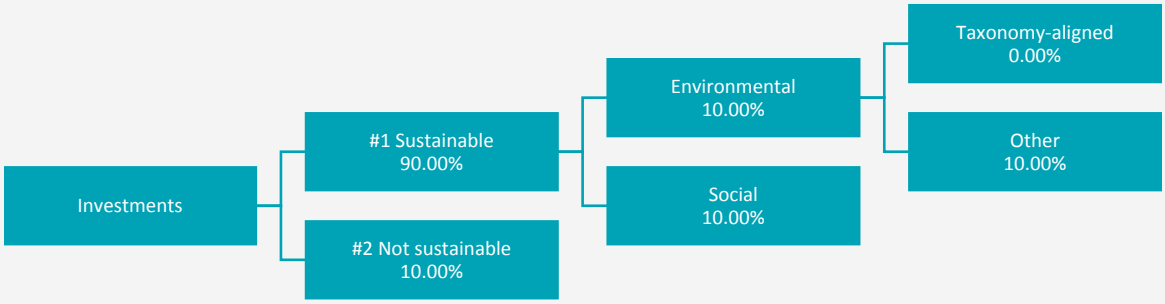
The planned composition of the Fund's investments that are used to meet its sustainable investment objective are summarised below. The Fund invests at least 90% of its assets in sustainable investments, which means included in **#1 Sustainable** are investments in small-sized US companies that the Investment Manager expects to contribute towards the advancement of an environmental or social objective linked to one or more of the UN SDGs, and to deliver returns to shareholders over the long term. Within this overall commitment of 90%, there is

a minimum commitment to invest at least 10% of its assets in sustainable investments with an environmental objective and at least 10% of its assets in sustainable investments with a social objective. The minimum proportions stated apply in normal market conditions.

#2 Not sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.



#1 Sustainable covers sustainable investments with environmental or social objectives.

#2 Not sustainable includes investments which do not qualify as sustainable investments.

How does the use of derivatives attain the sustainable investment objective?

This question is not applicable for the Fund

To what minimum extent are sustainable investments with an environmental objective aligned with the EU Taxonomy?

There is no minimum extent to which the Fund's investments (including transitional and enabling activities) with an environmental objective are aligned with the Taxonomy. Taxonomy alignment of this Fund's investments has therefore not been calculated and has as a result been deemed to constitute 0% of the Fund's portfolio.

In future it is expected that the Fund will assess and report on the extent to which its underlying investments are in economic activities that qualify as environmentally sustainable under the Taxonomy, along with information relating to the proportion of enabling and transitional activities. This Prospectus will be updated once it is possible in the Investment Manager's opinion to accurately disclose to what extent the Fund's investments are in Taxonomy-aligned environmentally sustainable activities, including the proportions of investments in enabling and transitional activities selected for the Fund.

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and

Does the financial product invest in fossil gas and/or nuclear energy related activities that comply with the EU Taxonomy[1]?

☐ Yes:

[1] Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective – see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

switching to renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

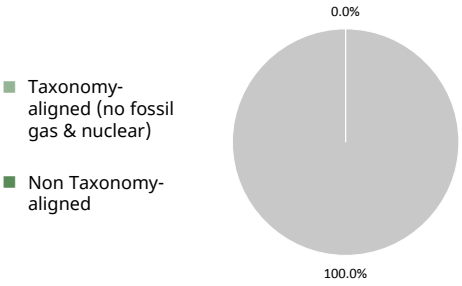
☐ In fossil gas ☐ In nuclear energy

☑ No

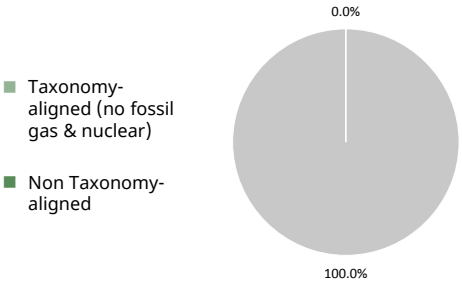
Taxonomy-aligned activities are expressed as a share of:
- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

The two graphs below show in green the minimum percentage of investments that are aligned with the EU Taxonomy. As there is no appropriate methodology to determine the Taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy-alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy-alignment only in relation to the investments of the financial product other than sovereign bonds.*

1. Taxonomy-alignment of investments including sovereign bonds*



2. Taxonomy-alignment of investments excluding sovereign bonds*



This graph represents x% of the total investments [2].

** For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures*

Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

What is the minimum share of investments in transitional and enabling activities?

As per the above, at the date of this Prospectus the share of investments by the Fund in transitional and enabling activities is currently deemed to constitute 0% of the Fund's portfolio.

What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

The Fund commits to invest at least 10% of its assets in sustainable investments with an environmental objective that are not aligned with the EU Taxonomy.

are environmentally sustainable investments that **do not take into account the criteria** for environmentally

[2] As there is no Taxonomy-alignment, there is no impact on the graph if sovereign bonds are excluded (i.e. the percentage of Taxonomy-aligned investments remains 0%) and the Management Company therefore believes that there is no need to mention this information.

sustainable economic activities under the EU Taxonomy.

What is the minimum share of sustainable investments with a social objective?

The Fund commits to invest at least 10% of its assets in sustainable investments with a social objective.

What investments are included under "#2 Not sustainable", what is their purpose and are there any minimum environmental or social safeguards?

#2 Not Sustainable includes investments that are treated as neutral for sustainability purposes, such as cash and Money Market Investments and derivatives used with the aim of reducing risk (hedging) or managing the Fund more efficiently.

Minimum safeguards are applied where relevant to Money Market Investments and derivatives used with the aim of reducing risk (hedging) by restricting (as appropriate) investments in counterparties where there are ownership links or exposure to higher risk countries (for the purpose of money laundering, terrorist financing, bribery, corruption, tax evasion and sanctions risks). A firm-wide risk assessment considers the risk rating of each jurisdiction; which includes reference to a number of public statements, indices and world governance indicators issued by the UN, the European Union, the UK Government, the Financial Action Task Force and several Non-Government Organisations (NGOs), such as Transparency International and the Basel Committee.

In addition, new counterparties are reviewed by Schroders' credit risk team and approval of a new counterparty is based on a holistic review of the various sources of information available, including, but not limited to, quality of management, ownership structure, location, regulatory and social environment to which each counterparty is subject, and the degree of development of the local banking system and its regulatory framework. Ongoing monitoring is performed through a Schroders' proprietary tool, which supports the analysis of a counterparty's management of environmental, social and governance trends and challenges. Any significant deterioration in the profile of the counterparty in Schroders' proprietary tool would lead to further analysis and potential exclusion by Schroders' credit risk team.

Is a specific index designated as a reference benchmark to meet the sustainable investment objective?

Reference benchmarks are indexes to measure whether the financial product attains the sustainable investment objective.

- ***How does the reference benchmark take into account sustainability factors in a way that is continuously aligned with the sustainable investment objective?***

  This question is not applicable for the Fund.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

  This question is not applicable for the Fund.

- ***How does the designated index differ from a relevant broad market index?***

  This question is not applicable for the Fund.

- ***Where can the methodology used for the calculation of the designated index be found?***

  This question is not applicable for the Fund.

Where can I find more product specific information online?

More product-specific information can be found on the webpage: https://www.schroders.com/en-lu/lu/individual/fund-centre

Appendix V

Other Information

(A) A list of all Funds and Share Classes may be obtained, free of charge and upon request, from the registered office of the Company.

(B) A list of the third party delegates appointed by the Depositary pursuant to the Depositary and Custodian Agreement is available on https://www.schroders.com/en-lu/lu/professional/funds-and-strategies/fund-administration/



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