

**IMPORTANT: This letter is important and requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice. Schroder Investment Management (Europe) S.A., as the Management Company to Schroder International Selection Fund, accepts full responsibility for the accuracy of the information contained in this letter and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.**

**3 January 2020**

Dear Shareholder,

**Schroder International Selection Fund (the "Company")**

- **Global Climate Change Equity**
- **Global Sustainable Growth (each a "Fund", collectively, the "Funds")**

In order to comply with the disclosure requirements of the Securities and Futures Commission in Hong Kong (the "SFC") for environmental, social and governance ("ESG") funds, with effect from 30 December 2019 (the "Effective Date"), the disclosures of the investment policy of the Funds have been enhanced as set out below.

### **Global Climate Change Equity**

With effect from the Effective Date, the investment policy of the Fund has been enhanced to provide that the Fund invests at least two-thirds of its assets in equity and equity related securities of companies worldwide which the investment manager believes will benefit from efforts to accommodate or limit the impact of global climate change and to include the following disclosure:

#### **"Climate Change Strategy**

The strategy looks for opportunities across a global and diverse opportunity set, providing a well-diversified portfolio of different companies across sectors linked to climate change. The strategy invests across five key climate change themes: energy efficiency, environmental resources, sustainable transport, clean energy and low-carbon leader.

The investment manager's first task in the process of stock selection is to determine a universe of companies from the global investment universe whose long-term business outlook, in its opinion, is impacted by efforts to mitigate or adapt to climate change. The investment manager has built a team process and supporting systems that draw on a range of inputs to identify companies where climate change is a significant positive to the business outlook.

Given rapidly changing business impacts, it is not possible to have simple percentage rules for the amount that a company is positively or negatively impacted by climate change. The overarching principle is that climate change must have a significant impact on the long-term business outlook for a stock to be included. When assessing the significance of climate change on the long-term business-outlook for a company, the investment manager considers the relevant impact on expected revenue growth, operating margin and capital intensity of the company. The strategy excludes companies that generate significant revenues from

fossil fuel (e.g. oil, coal, gas, tar-sands, shale-gas), tobacco and weapons from the investable universe.”

### **Global Sustainable Growth**

With effect from the Effective Date, the investment policy of the Fund has been enhanced to provide that the Fund invests at least two-thirds of its assets in equity and equity related securities of companies worldwide which meet the investment manager’s sustainability criteria and to include the following disclosure:

#### **“Sustainability Strategy**

The investment manager’s investment approach includes an analysis of ESG factors, which is integrated into its fundamental stock analysis. The investment manager assesses the materiality of ESG factors as they relate to the specifics of each company and evaluate those that are considered material to the sustainability of future earnings growth and as potential risk factors for a company.

Given the explicit focus on sustainability for this fund, a more-detailed assessment of sustainability is incorporated via the investment manager’s proprietary Sustainability Quotient (SQ) framework. This is a systematic process for evaluating sustainability characteristics. The framework incorporates critical ESG-related factors and elements of corporate performance across four broad categories namely, respect for the environment, fair and equitable treatment of employees, suppliers and customers, good corporate citizens, and prudent allocation of capital.

Stocks that meet the necessary sustainability threshold, based on the Investment Manager’s qualitative assessment of ESG and sustainability, and offer the potential for attractive risk-adjusted returns will be considered for inclusion in the fund. There is no formulaic approach to the investment manager’s assessment and the investment manager does not assign scores nor does it impose minimum thresholds. However, analysis and evaluation of ESG and sustainability are systematically applied to the way the investment manager selects stocks.

The investment manager analyses a company’s strengths and weaknesses using a wide range of sources which include but are not limited to: company filings and website, third party reports (e.g. MSCI ESG), ESG statistics (e.g. Bloomberg), unconventional sources (e.g. NGO reports) and insights from its local analysts.

The fund excludes stocks with material exposure to alcohol, fossil fuels, tobacco, weapons, gambling, high interest rate lending, human embryonic cloning and adult entertainment.”

Risk disclosures of the Funds have also been enhanced to reflect the investment policy above. All other key features of the Funds remain the same. There is no material change to the way the Funds are managed in practice, or to its investment style, investment philosophy or risk profile following the above changes.

Any expenses incurred directly as a result of making the above changes will be borne by the Company.

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

Yours faithfully,



**Chris Burkhardt**  
Authorised Signatory



**Nirosha Jayawardana**  
Authorised Signatory

此乃重要函件，務請閣下垂閱。閣下如對本函件的內容有任何疑問，應尋找獨立專業顧問的意見。施羅德環球基金系列的管理公司 Schroder Investment Management (Europe) S.A. 就本函件所載資料之準確性承擔全部責任，並在作出一切合理查詢後確認，盡其所知所信，本函件並無遺漏足以令本函件的任何陳述具誤導成分的其他事實。

親愛的股東：

施羅德環球基金系列（「本公司」）

- 環球氣候變化策略
- 環球持續增長（各稱「基金」，統稱「各基金」）

為符合香港證券及期貨事務監察委員會（「證監會」）有關環境、社會及管治（「ESG」）基金的披露規定，自2019年12月30日（「生效日期」）起，各基金的投資政策之披露已予加強，有關披露載列如下。

## 環球氣候變化策略

自生效日期起，基金的投資政策已予加強，規定基金將最少三分之二的資產投資於投資經理認為受惠於因致力適應或限制全球氣候變化帶來之影響的全球各地公司的股本和股本相關證券，並包含以下披露：

### 「氣候變化策略

策略在全球和多樣化的機遇環境中物色機會，提供遍及與氣候變化掛鈎的各個界別不同公司的多元化投資組合。策略投資於五個主要氣候變化主題：能源效益、環境資源、持續運輸、清潔能源和低碳主義領先企業。

投資經理在選股過程中的首項工作是從全球投資領域中確定其認為有關公司的長遠業務前景受到致力緩解或適應氣候變化所影響的多間公司。投資經理已設立團隊流程和支援系統，透過運用一系列數據輸入以識別氣候變化對其業務前景具重大正面影響的公司。

鑑於業務影響迅速變化，投資經理無法制定簡單的百分比法則以計算公司受氣候變化正面或負面影響的程度。納入股票的首要原則是有關氣候變化必須對長遠業務前景產生重大影響。評估氣候變化對公司的長遠業務前景的影響時，投資經理應考慮對公司預期收益增長、營業利潤率及資本密集度造成的相關影響。策略從可投資領域中排除從化石燃料（例如：石油、煤炭、天然氣、焦油砂、頁岩氣）、煙草及武器產生可觀收益的公司。」

## 環球持續增長

自生效日期起，基金的投資政策已予加強，規定基金將最少三分之二的資產投資於符合投資經理的可持續性準則的全球各地公司的股本和股本相關證券，並包含以下披露：

### 「可持續性策略

投資經理的投資方案包括已整合至其基本股票分析的ESG因素分析。投資經理評估與各公司的特性相關的ESG因素的重要性，並評估該等被視為對未來盈利增長的可持續性屬重要的因素及被視為公司的潛在風險因素。

基於本基金明確聚焦可持續性，透過投資經理專有的可持續性商數（SQ）框架對可持續性進行更詳盡的評估。此乃評估可持續性特點的系統化過程。該框架包含四大類別（即尊重環境、對員工、供應商和客戶的公平公正待遇、良好企業公民及審慎資本分配）中的ESG相關關鍵因素及企業績效元素。

根據投資經理對ESG和可持續性的定性評估，符合所需可持續性門檻，並提供具吸引力的風險調整潛在回報的股票，將獲考慮納入基金。投資經理的評估並無方程式方案，且投資經理並不給予分數或設有最低要求。然而，ESG及可持續性的分析和評估已有系統地應用於投資經理的選股方式。

投資經理使用多種來源分析公司的優劣，來源包括但不限於：公司文件備案和網站、第三方報告（例如：MSCI ESG）、ESG統計數據（例如：彭博）、非常規來源（例如：非政府組織的報告）及來自其當地分析師的意見。

基金排除對酒精、化石燃料、煙草、武器、賭博、高利貸、人類胚胎複製技術及成人娛樂界別具重大投資參與的股票。」

各基金的風險披露亦已予加強，以反映上述投資政策。各基金的所有其他主要特點維持不變。各基金的管理方法，或其投資風格、投資理念或風險概況在作出上述變更後並無重大轉變。

因作出上述更改直接招致的任何開支將由本公司承擔。

閣下如有任何疑問或需要更多資料，請聯絡閣下常用的專業顧問或代表（地址為香港金鐘道 88 號太古廣場二座 33 字樓）或致電施羅德投資熱線電話(+852) 2869 6968 查詢。

此致



**Chris Burkhardt**

授權簽署



**Nirosha Jayawardana**

授權簽署

謹啟

2020年1月3日