

Tel : (+352) 341 342 202 Fax : (+352) 341 342 342

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. The directors of Schroder International Selection Fund accept full responsibility for the accuracy of the information contained in this letter and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement misleading.

14 December 2016

Dear Shareholder,

Schroder International Selection Fund – changes to the distribution policy of certain share classes

Following a recent review, the board of directors of Schroder International Selection Fund (the "Company") has decided to change the distribution policy for some share classes (the "Share Classes") of certain sub-funds. The affected Share Classes are listed in the appendix to this letter. The distribution frequency of the Share Classes will not change.

For those Share Classes whose policy is changing to a fixed distribution policy, distributions may be lower than those previously paid out under a variable distribution policy. Funds with a fixed distribution policy may involve a degree of drawdown, in which distributions are partly paid from capital.

The first pay date under the new distribution policies will be announced on 1 January 2017, and the period in which the new distribution policies will become effective is detailed in the appendix.

The Share Classes' fees will remain unchanged and the costs of making these changes including regulatory and shareholder communication costs will be borne by Schroder Investment Management (Luxembourg) S.A. which is the Company's management company.

If you have any questions or would like more information, please contact your usual professional advisor or Schroders Investor Hotline on (+852) 2869 6968.

Yours faithfully,



Alastair Woodward
Authorised Signatory



Cord Rodewald
Authorised Signatory

Appendix**List of Share Classes with changing distribution policies in Schroder International Selection Fund**

Fund	Share class	Share class currency	Current distribution policy	Future distribution policy	First distribution period under new policy
Asian Bond Absolute Return	A Distribution	USD	Fixed 4% p.a. paid monthly	Variable paid monthly	January 2017
Asian Bond Absolute Return	A1 Distribution	USD	Fixed 4% p.a. paid monthly	Variable paid monthly	January 2017
Asian Bond Absolute Return	A1 Distribution	EUR	Fixed 4% p.a. paid monthly	Variable paid monthly	January 2017
Asian Bond Absolute Return	A1 Distribution	EUR Hedged	Fixed 4% p.a. paid monthly	Variable paid monthly	January 2017
Asian Bond Absolute Return	A Distribution	HKD	Fixed 4% p.a. paid monthly	Variable paid monthly	January 2017
Strategic Bond	A Distribution	USD	Fixed 3% p.a. paid monthly	Variable paid monthly	January 2017
Strategic Bond	A Distribution	EUR Hedged	Fixed 3% p.a. paid quarterly	Variable paid quarterly	January to March 2017
Strategic Bond	A1 Distribution	EUR Hedged	Fixed 3% p.a. paid quarterly	Variable paid quarterly	January to March 2017
Emerging Multi-Asset Income	A Distribution	USD	Variable paid monthly	Fixed 5% p.a. paid monthly	January 2017
Emerging Multi-Asset Income	A1 Distribution	USD	Variable paid monthly	Fixed 5% p.a. paid monthly	January 2017
Emerging Multi-Asset Income	A Distribution	AUD Hedged	Variable paid monthly	Fixed 5% p.a. paid monthly plus currency premium	January 2017