

**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.**

**28 December 2017**

Dear Shareholder,

**Schroder International Selection Fund – Asian Equity Yield**  
**Schroder International Selection Fund – Asian Opportunities**  
**Schroder International Selection Fund – Asia Pacific Cities Real Estate**  
**Schroder International Selection Fund – Asian Smaller Companies**  
**Schroder International Selection Fund – Asian Total Return**  
**Schroder International Selection Fund – Global Smaller Companies**  
**Schroder International Selection Fund – Hong Kong Equity**

### **Removal of restriction on investments in China-A Shares via Shenzhen Hong Kong Stock Connect**

The board of directors of Schroder International Selection Fund (the "Company") has decided to update the additional information of the Funds listed above (the "Funds") as disclosed in the "Fund Details" section of the Hong Kong Covering Document of the Company.

The purpose of the update is to remove the restriction that the Funds will invest not more than 5% of their respective net asset value in China A-Shares via Shenzhen-Hong Kong Stock Connect. The Funds currently have the ability to invest 'up to 10%' of their assets in China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect.

The additional information applicable to the Funds which is being clarified in the "Fund Details" section of the Hong Kong Covering Document of the Company is as follows:

"For clarification, in relation to the Funds' investment objectives as described in Appendix III to the Prospectus, the Funds may invest directly in China A-Shares via the Stock Connect. Indirect exposure to China A-Shares may also be sought for the Funds through investment in financial instruments such as China market access products and other funds with China access through RQFII/QFII quotas. The Funds do not currently intend to invest 30% or more of their respective Net Asset Value directly and indirectly in China A-Shares and China B-Shares."

### **Change of investment policy**

The board of directors of the Company has decided to change the investment policy of the Funds with effect from 1 February 2018 (the "Effective Date").

The Funds will increase their flexibility to invest in China A-Shares through the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect to 'less than 30%' of their assets.

All other key features of the Funds will remain the same.

Any expenses incurred directly as a result of making this change will be borne by Schroder Investment Management (Luxembourg) S.A., the Company's management company.

We hope that you will choose to remain invested in the Funds following this change, but if you do wish to redeem your holding in the Funds or to switch into another of the Company's sub-funds authorized by the Securities and Futures Commission ("SFC")<sup>1</sup> before the Effective Date you may do so at any time up to and including the deal cut-off at 5:00 p.m. Hong Kong time on 31 January 2018. We will execute your redemption or switch instructions in accordance with the provisions of the Company's prospectus, free of charge, although in some countries local paying agents, correspondent banks or similar agents might charge transaction fees. Local agents might also have a local deal cut-off which is earlier than that described above, so please check with them to ensure that your instructions reach Schroder Investment Management (Hong Kong) Limited (the "Representative") in Hong Kong before the deal cut-off at 5:00 p.m. Hong Kong time on 31 January 2018.

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

Yours faithfully,



**Cord Rodewald**  
Authorised Signatory



**Alastair Woodward**  
Authorised Signatory

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<sup>1</sup> SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.