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**27 January 2017**

Dear Shareholder,

**Liquidation of Schroder International Selection Fund – Emerging Market Local Currency Bond**

We are writing to advise you that the board of directors (the "Board") of Schroder International Selection Fund (the "Company") has decided to liquidate the Schroder International Selection Fund – Emerging Market Local Currency Bond (the "Fund").

The Fund had approximately USD 11.8 million under management on 31 December 2016 which is too small to manage cost-effectively. Therefore in the best interest of the shareholders and in accordance with Article 5 of the Articles of Incorporation and the provisions of the Company's prospectus (the "Prospectus"), the Fund will be liquidated.

Details of the share classes affected by the liquidation are listed at the end of this letter.

**Effective date**

The Fund will be liquidated on 28 February 2017 (the "Effective Date").

**Redeeming your shares or switching to another Schroders fund prior to liquidation**

If you would like to redeem your shares or switch to another Schroders fund prior to the liquidation you may do so at the respective dealing dates up to and including deal cut-off at 13:00 Luxembourg time on 27 February 2017. Please ensure that your redemption or switch instruction reaches Schroder Investment Management (Luxembourg) S.A. before this deadline. We will execute your instructions free of charge in accordance with the provisions of the Prospectus. Please note that some distributors, paying agents, correspondent banks or similar agents might charge you transaction fees. Please also note that they might have a local deal cut-off time which is earlier than the Fund's cut-off time in Luxembourg, and we recommend that you check with them to ensure that your instructions reach Schroder Investment Management (Luxembourg) S.A. before the deal cut-off given above.

The Fund has been closed to subscriptions from new investors. To allow sufficient time for changes to be made to regular savings plans and similar facilities, subscriptions or switches into the Fund will be accepted from existing investors until 21 February 2017 (deal cut-off at 13:00 Luxembourg time on 21 February 2017).

**Costs**

Schroder Investment Management (Luxembourg) S.A., the Company's management company, will bear the cost of the expenses incurred in the liquidation, including legal and regulatory charges but not the trading-related transaction costs associated with the disposal of the Fund's investments.

**Tax status**

This liquidation might affect the tax status of your investment. We therefore recommend that you seek independent professional advice in these matters.

## Your shares at liquidation

Any holding that you retain in the Fund on the Effective Date will be redeemed at the net asset value per share applicable on that date and the proceeds will be sent to you in accordance with the payment instructions which we hold on file for your account. These redemption payments will settle with a value date of 3 March 2017. The redemption will be made in accordance with the provisions of the Prospectus, free of any redemption charges which might otherwise have been applicable. Any liquidation or redemption proceeds which cannot be distributed to shareholders after the close of the liquidation will be deposited on their behalf with the Caisse de Consignation in Luxembourg, from where you can claim them at any time within 30 years, after which they will become the property of the state.

If we find that your payment instructions are invalid we will contact you for new instructions.

We hope that you choose to remain invested with Schrodgers after the Fund is liquidated. For more information on the other funds available in the Schroder International Selection Fund range, please visit [www.schrodgers.com](http://www.schrodgers.com).

If you have any questions about the liquidation, please contact your local Schrodgers office, your usual professional adviser or Schroder Investment Management (Luxembourg) S.A. on (+352) 341 342 212.

Yours faithfully,



**Alastair Woodward**  
Authorised Signatory



**Nathalie Wolff**  
Authorised Signatory

**Appendix**

ISIN codes of share classes being liquidated

<b>Share class</b>	<b>Share class currency</b>	<b>ISIN code</b>
A Accumulation	USD	LU0795637577
A1 Accumulation	USD	LU0795637734
B Accumulation	USD	LU0795637908
C Accumulation	USD	LU0795638203
E Accumulation	USD	LU0815506620
I Accumulation	USD	LU0795638468
A1 Distribution	USD	LU0840106008
B Distribution	USD	LU0840107741
I Distribution	USD	LU1059809811
A Accumulation	GBP	LU0973206831
A Accumulation	EUR Hedged	LU0795638898
A1 Accumulation	EUR Hedged	LU0795639276
B Accumulation	EUR Hedged	LU0795639433
C Accumulation	EUR Hedged	LU0795639789
E Accumulation	EUR Hedged	LU0815506893
I Accumulation	EUR Hedged	LU0795639946