

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 – China Opportunities

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 Schroder International Selection Fund – China Opportunities (the "Fund") 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 Fund will invest not more than 5% of its net asset value in China A-Shares via Shenzhen-Hong Kong Stock Connect. The Fund currently has the ability to invest 'up to 10%' of its 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 Fund 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 Fund with effect from 1 February 2018 (the "Effective Date").

The Fund will increase its 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 its assets.

In addition, the Fund currently has the ability to use derivatives with the aim of reducing risk or managing the Fund more efficiently. From the Effective Date, to provide an additional way to achieve the investment

objective, the Fund will also have the ability to use derivatives with the aim of achieving investment gains. However, the Fund does not intend to use derivatives extensively for investment purposes.

The Fund's investment objective and policy, which is contained in the Company's prospectus, is being changed from:

"Investment objective

The Fund aims to provide capital growth by investing in equity and equity related securities of Chinese companies.

Investment Policy

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

The Fund may invest directly in China B-Shares and China H-Shares and may invest up to 10% of its assets in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently. The Fund may also invest in money market instruments and hold cash."

to:

"Investment objective

The Fund aims to provide capital growth by investing in equity and equity related securities of Chinese companies.

Investment Policy

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

The Fund may invest directly in China B-Shares and China H-Shares and may invest less than 30% of its assets in China A-Shares through Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, contracts for difference may be used to gain long or short exposures or to hedge exposure on equity and equity related securities. The gross exposure of contracts for difference will not exceed 60% and is expected to remain within the range of 10% to 30% of the Net Asset Value. In certain circumstances this proportion may be higher. The Fund may also invest in money market instruments and hold cash."

All other key features of the Fund, including the fees chargeable in respect of the Fund and the risk profile of the Fund, will remain the same. Moreover, there will be no change to the additional information of the Fund as disclosed in the "Fund Details" section of the Hong Kong Covering Document of the Company.

We hope that you will choose to remain invested in the Fund following these changes, but if you do wish to redeem your holding in the Fund or to switch into another of the Company's sub-funds authorized by the

Securities and Futures Commission ("SFC")¹ 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.

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.

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,



Cord Rodewald
Authorised Signatory



Alastair Woodward
Authorised Signatory

¹ 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.