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24 August 2015

Dear Shareholder,

**Schroder International Selection Fund – Global Energy
merger with Schroder International Selection Fund – Global Small Cap Energy**

As required by Luxembourg law, we are writing to advise you that on 30 September 2015 (the **Effective Date**), Schroder International Selection Fund – Global Energy (the **Receiving Fund**) will merge with Schroder International Selection Fund – Global Small Cap Energy (the **Merging Fund**) (the **Merger**). The Receiving Fund will continue to exist following the Merger. Dealing in the Receiving Fund will not be interrupted by the Merger.

The Merger was authorised by the Commission de Surveillance du Secteur Financier on 10 August 2015.

We believe that the Receiving Fund will provide the Merging Fund's shareholders with access to capital growth potential with a decrease in the risk profile and at a lower cost.

Impact on the Receiving Fund's investment portfolio and performance

We do not foresee any material impact on the Receiving Fund's investment portfolio or performance as a result of the Merger. Prior to the Merger, the Merging Fund will dispose of any assets which do not fit well in the Receiving Fund's investment portfolio or which cannot be held due to investment restrictions and the Receiving Fund will continue to be managed according to its current investment objective and policy. The Receiving Fund's investment portfolio will not need to be rebalanced before or after the Merger.

Expenses and costs of the Merger

The expenses incurred in the Merger, including the legal, audit and regulatory charges will be borne by Schroder Investment Management (Luxembourg) S.A., the management company of the Company (the **Management Company**). The Merging Fund will bear the market-related transaction costs associated with the disposal of any investments that would not fit well in the Receiving Fund.

Exchange ratio, treatment of accrued income and consequences of the Merger

On the Effective Date, the net assets of the Merging Fund will be transferred to the Receiving Fund. For the shares of each class that they hold in the Merging Fund, shareholders of the Merging Fund will receive an equal amount by value of shares of the corresponding class in the Receiving Fund, calculated at the net asset value per share of the Merging Fund and the Receiving Fund on the Effective Date.

Any accrued income relating to the Merging Fund's shares at the time of the Merger will be included in the calculation of the final net asset value per share of the Merging Fund and will be accounted for after the Merger in the net asset value per share of the Receiving Fund.

Rights of shareholders to redeem/switch

As a shareholder in the Receiving Fund, if you do not wish to continue to hold your shares after the Merger, you have the right to redeem your holding or to switch into another Schroder fund at any time up to and including 30 September 2015.

We will execute your redemption or switch instructions in accordance with the provisions of the prospectus of the Company 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 the Management Company before the 1.00 p.m. Luxembourg time deal cut-off on 30 September 2015.

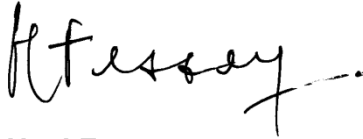
Redemptions or switches might affect the tax status of your investment. We therefore recommend that you seek independent professional advice in these matters.

Further information

An audit report will be prepared by the approved statutory auditor of the Company in relation to the Merger and will be available free of charge upon request from the Management Company.

If you would like more information, please contact your local Schroders office, your usual professional adviser or the Management Company on (+352) 341 342 212.

Yours faithfully,



Noel Fessey
Authorised Signatory



Nathalie Wolff
Authorised Signatory

Appendix

ISIN codes of share classes affected by these changes

Share class	ISIN code
A Accumulation USD	LU0256331488
A1 Accumulation USD	LU0256332296
B Accumulation USD	LU0256331561
C Accumulation USD	LU0256331728
I Accumulation USD	LU0256332452
C Distribution USD	LU0262003428
A1 Accumulation EUR	LU0279460975
A Accumulation EUR	LU0374901568
C Accumulation EUR	LU0374901725
A Distribution EUR	LU0555008191
Z Accumulation EUR	LU0969110849
A Distribution GBP	LU0355356758
C Distribution GBP	LU0355356832
S Distribution GBP	LU1046233364
Z Distribution GBP	LU0969110765
A Accumulation EUR Hedged	LU0671501558

Any additional share classes launched in Receiving Fund will also be subject to the Merger. Currently there is plan to launch A Accumulation CHF and C Accumulation CHF on the Effective Date.