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8 July 2016

Dear Shareholder,

**Schroder International Selection Fund — Japanese Equity Alpha
merger with Schroder International Selection Fund — Japanese Equity**

We are writing to advise you that a fund in which you are invested is due to receive assets from another fund through a merger. This merger is not expected to have any impact on your investment. The size of the merging fund represents only 0.7% of the fund in which you are invested. We have provided full details of this merger below.

On 17 August 2016 (the **Effective Date**), Schroder International Selection Fund — Japanese Equity Alpha (the **Merging Fund**) will merge into Schroder International Selection Fund — Japanese Equity (the **Receiving 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 25 January 2016.

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

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**), the management company of Schroder International Selection Fund (the 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. If you wish to redeem or switch before the merger takes place, we will need to receive your instructions by 17 August 2016.

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 17 August 2016.

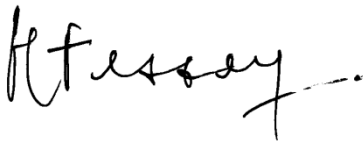
Redemptions or switches might affect the tax status of your investment. We therefore recommend that you seek independent professional advice in these matters.

Further information

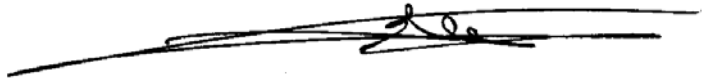
An audit report will be prepared by the approved statutory auditor of the Company in relation to the Merger and will be available free of charge upon request from the Management Company.

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 JPY	LU0106239873
A1 Accumulation JPY	LU0133712371
B Accumulation JPY	LU0106240376
C Accumulation JPY	LU0106240533
I Accumulation JPY	LU0134340420
A Distribution JPY	LU0012050562
C Distribution JPY	LU0062904429
C Accumulation EUR	LU1046231665
A Accumulation EUR Hedged	LU0236737465
A1 Accumulation EUR Hedged	LU0236738604
B Accumulation EUR Hedged	LU0236738190
C Accumulation EUR Hedged	LU0236738356
I Accumulation EUR Hedged	LU0236738869
Z Accumulation EUR Hedged	LU0969111144
A Accumulation USD Hedged	LU0903425923
A1 Accumulation USD Hedged	LU0911023827
C Accumulation USD Hedged	LU0903426061
I Accumulation USD Hedged	LU0903426145
A1 Accumulation USD	LU0150929718

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