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17 August 2015

Dear Shareholder,

**Schroder International Selection Fund – Asian Diversified Growth
merger with Schroder International Selection Fund – Global Diversified Growth**

We are writing to advise you that on 28 October 2015 (the **Effective Date**), Schroder International Selection Fund – Asian Diversified Growth (the **Merging Fund**) will merge with Schroder International Selection Fund – Global Diversified Growth (the **Receiving Fund**) (the **Merger**). Shareholders in the Merging Fund will receive the equivalent value of shares in the Receiving Fund in place of their current shares in the Merging Fund.

The Merger was authorised by the Commission de Surveillance du Secteur Financier on 22 July 2015.

Investment objectives and policies

Both the Merging Fund and the Receiving Fund have the primary objective to provide capital growth and income through investment in shares and bonds and/or money market instruments. Although the geographical focus of the two funds is different, they operate under similar return and risk objectives and have similar risk profiles. The Receiving Fund, being globally diversified, offers greater diversification than the Merging Fund which is Asia focused only. Both funds have the same synthetic risk and reward indicator¹.

Share classes and annual investment management fee changes

The table below summarises the annual investment management charge (the **AMC**) and on-going charges (the **OGC**) for the share classes of the Merging Fund and the Receiving Fund. Please note that the OGC includes the AMC and all other charges and expenses.

Share class	Merging Fund		Receiving Fund	
	AMC	OGC	AMC	OGC estimate ²
A	1.50%	1.87%	1.50%	1.77%
A1	1.50%	2.37%	1.50%	2.27%
C	1.00%	1.38%	0.75%	1.03%
I	0.00%	0.29%	0.00%	0.12%

¹ The synthetic risk and reward indicator (SRRI) defines the risk category of the fund in its key investor information document (KIID) and is calculated based on the volatility and the risk limit of the fund.

² Percentages are per annum and are stated with reference to the net asset value per share. The OGCs include, where applicable, the distribution charge, shareholder servicing charge, investment management fee and other administration costs including the fund administration, custodian and transfer agency costs. They include the management fees and administration costs of the underlying investment funds in the portfolios. The OGCs are as at May 2015.

The Merging Fund's base currency is USD and the Receiving Fund's base currency is EUR. As such the share classes of the Merging Fund will be merging into the equivalent hedged share classes of the Receiving Fund.

For example, an investor who currently holds the SISF Asian Diversified Growth A Accumulation USD share class will be merged into the SISF Global Diversified Growth A Accumulation USD Hedged share class. A full summary of which Receiving Fund share classes the Merging Fund share classes will be merged into can be found in the Appendix to this letter.

Dealing cut-off time and settlement periods for subscriptions and redemptions

There is no change to the dealing cut-off time or the settlement periods. The dealing cut-off time of the Receiving Fund is 1.00 p.m. Luxembourg time, one business day preceding the relevant dealing day. Orders that reach the management company of the Schroder International Selection Fund (the **Management Company**) before the cut-off time will be executed on the dealing day. The settlement periods for subscription and redemption are within four business days following a dealing day.

A key features comparison table of the Merging Fund and the Receiving Fund (including the share class changes) can be found in the Appendix.

Merger

This Merger notice is required by Luxembourg law.

After considerable analysis and review, the board of directors of Schroder International Selection Fund concluded that, given the similarity in strategy between the Merging Fund and the Receiving Fund, shareholders in the Merging Fund will benefit from a merger with the Receiving Fund. Shareholders in the Merging Fund will be merged into a fund which will give shareholders access to capital growth potential with a greater diversification and at a lower cost. The Merging Fund has approximately 69 million US dollars under management as of 31 March 2015 while the Receiving Fund has approximately 788 million US dollars under management as of the same date. Although the geographical focus of the two funds is different, the Receiving Fund will operate under broadly the same investment criteria and strategy as the Merging Fund but with a broader investment universe. The legal entity acting as investment manager for the Receiving Fund is Schroder Investment Management Limited and that for the Merging Fund is Schroder Investment Management (Hong Kong) Limited.

— Costs and expenses of the Merger

The Merging Fund has no outstanding set-up costs. The expenses incurred in the Merger, including the legal, advisory and administrative costs, will be borne by the Management Company.

From 17 August 2015, in order to account for the market-related transaction costs associated with the disposal of any investments that would not fit well in the Receiving Fund's portfolio, or associated with redemption or switch orders received during the period leading up to the Merger, the Merging Fund's net asset value per share will be adjusted down each time there is a net outflow from the Merging Fund by means of a dilution adjustment. In the unlikely event that there are net inflows to the Merging Fund during this period the net asset value per share will be adjusted upwards. Costs associated with portfolio trading required to align the Merging Fund's portfolio with that of the Receiving Fund from 17 August 2015 to the date of the Merger will be included in the calculation of the net asset values per share calculated for those days. Further information relating to dilution adjustments is available in the Prospectus in section 2.4 "Calculation of Net Asset Value". The prospectus is available at www.schroders.lu.

— 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 will receive an equal amount by value of shares of the corresponding class (as described under section "Share classes and annual investment management fee changes" above) 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.

You will thus become a shareholder of the Receiving Fund, in the share class which corresponds to your current holding in the Merging Fund. A full summary of which Merging Fund share classes will be merged into which Receiving Fund share classes can be found under section "Existing and New Share Class Mapping" in the Appendix.

The first dealing date for your shares in the Receiving Fund will be 29 October 2015, the related deal cut-off for this dealing day being 1.00 p.m. Luxembourg time, one business day preceding the relevant dealing day.

— **Rights of shareholders to redeem/switch**

If you do not wish to hold shares in the Receiving Fund from the Effective Date, you have the right to redeem your holding in the Merging Fund or to switch into another Schroder fund at any time up to and including the dealing day on 21 October 2015.

We will execute your redemption or switch instructions in accordance with the provisions of the 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 the Management Company before the 1.00 p.m. Luxembourg time deal cut-off on 20 October 2015.

Subscriptions or switches into the Merging Fund from new investors will not be accepted after deal cut-off on 17 August 2015. To allow sufficient time for changes to be made to regular savings plans and similar facilities, subscriptions or switches into the Merging Fund will be accepted from existing investors until 21 October 2015 (deal cut-off at 1.00 p.m. on 20 October 2015).

— **Tax status**

The conversion of shares at the time of the Merger and / or your redemption or switch of shares prior to the Merger might affect the tax status of your investment. We therefore recommend that you seek independent professional advice in these matters.

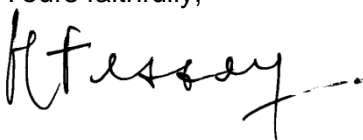
— **Further information**

We advise shareholders to read the Receiving Fund's key investor information document (the **KIID**) which accompanies this letter. This is a representative KIID for the Receiving Fund, showing information for the share class with the highest OGC (A1 share class). It is, together with the KIIDs of all other available share classes, available at www.schroders.lu. The prospectus is also available at that address.

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

We hope that you will choose to remain invested in the Receiving Fund after the Merger. 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

Key Features Comparison Table

The following is a comparison of the principal features of the Merging Fund and the Receiving Fund. Both are funds of Schroder International Selection Fund. Full details are set out in the Prospectus and shareholders are also advised to consult the KIID of the Receiving Fund which accompanies this letter.

	Merging Fund Schroder ISF – Asian Diversified Growth	Receiving Fund Schroder ISF – Global Diversified Growth
Prospectus Investment Objective and Policy	<p>To provide a total return, primarily through investment in Investment Funds (including Exchange Traded Funds and Funds of the Company) investing in equity, debt securities and liquidities, as well as investment directly in those types of assets and/or through financial derivative instruments.</p> <p>In addition, the Fund may seek exposure to each of real estate, commodities and other real assets mainly through, but not limited to, investment in real estate and commodity related transferable securities (including REITs), financial derivative instruments on Financial Indices and Investment Funds, ETFs and Investment Trusts which invest in such asset classes.</p>	<p>To provide long term capital growth and income, through investment in Investment Funds, Exchange Traded Funds and Funds of the Company investing in equity and debt securities traded world-wide and liquidities, as well as investment directly in those types of assets and/or through financial derivative instruments (including total return swaps), to either hedge or increase, the Fund's market exposure, in taking either net long or net short financial derivative positions. Where the Fund uses total return swaps, the underlying consists of instruments in which the Fund may invest according to its investment objective.</p>
KIID Objectives and Investment Policy	<p>Objectives</p> <p>The fund aims to provide capital growth and income.</p> <p>Investment Policy</p> <p>At least two-thirds of the fund will be invested in other funds that invest in shares and bonds and/or money market instruments traded worldwide.</p> <p>The fund aims to provide a return above inflation over an investment cycle, which is typically a five to seven year period. To do this it holds a wide range of investments in equities, bonds and alternative assets. These may be in funds or held directly. The fund manager allocates dynamically between these asset classes, and also actively manages downside risk to limit capital losses during falling markets. The fund holds a minimum of 70% in Asian assets.</p> <p>The fund may gain exposure to</p>	<p>Objectives</p> <p>The fund aims to provide capital growth and income.</p> <p>Investment Policy</p> <p>The fund will invest globally in equities and bonds, funds that themselves hold equities and bonds and money market instruments. The fund will gain exposure to alternative asset classes such as real estate, commodities, hedge funds and private equity. The fund may also hold cash on deposit.</p> <p>The fund aims to provide a return similar to global equities over an investment cycle, which is typically a five to seven year period, but with two-thirds of the risk of global equities (measured by volatility). It seeks to do this by holding a wide range of investments in equities, bonds, and alternative assets. The weightings of these holdings are adjusted in</p>

	Merging Fund Schroder ISF – Asian Diversified Growth	Receiving Fund Schroder ISF – Global Diversified Growth
	<p>alternative asset classes, including, real estate, commodities, hedge funds and private equity.</p> <p>The fund may also hold cash on deposit. Derivatives may be used to achieve the investment objective and to reduce risk or manage the fund more efficiently. The fund may use leverage and take short positions.</p>	<p>response to changing market conditions.</p> <p>Derivatives may be used to achieve the investment objective and to reduce risk or manage the fund more efficiently.</p>
Synthetic Risk and Reward Indicator (SRRI)*	Category 5	Category 5
Profile of the Typical Investor	The Fund will be suitable for Investors who are more concerned with maximising long-term returns than minimising possible short-term losses.	The Fund will be suitable for Investors who are more concerned with maximising long-term returns than minimising possible short-term losses.
Fund Category	Multi-Asset Funds	Multi-Asset Funds
Fund Currency	USD	EUR
Launch Date	2 July 2012	2 July 2012
Total Fund Size (million) as at 31 May 2015	USD 70 million	USD 824 million (EUR 750 million)
Dealing Cut-off Time and Settlement Periods for Subscriptions and Redemptions	<p>Orders must reach the Management Company before 13:00 Luxembourg time, one business day preceding dealing day for orders to be executed on dealing day.</p> <p>The settlement periods for subscription and redemption are within four business days following a dealing day.</p>	<p>Orders must reach the Management Company before 13:00 Luxembourg time, one business day preceding dealing day for orders to be executed on dealing day.</p> <p>The settlement periods for subscription and redemption are within four business days following a dealing day.</p>
Initial Charge	<p>A: up to 5.00% of the total subscription amount (equivalent to 5.26315% of the Net Asset Value per Share)</p> <p>A1: up to 4.00% of the total subscription amount (equivalent to 4.16667% of the Net Asset Value per Share)</p> <p>C: up to 1% of the total subscription amount (equivalent to 1.0101% of the Net Asset Value per share)</p> <p>I: None</p>	<p>A: up to 5.00% of the total subscription amount (equivalent to 5.26315% of the Net Asset Value per Share)</p> <p>A1: up to 4.00% of the total subscription amount (equivalent to 4.16667% of the Net Asset Value per Share)</p> <p>C: up to 1% of the total subscription amount (equivalent to 1.0101% of the Net Asset Value per share)</p> <p>I: None</p>

	Merging Fund Schroder ISF – Asian Diversified Growth	Receiving Fund Schroder ISF – Global Diversified Growth
Management Fees by Share Class	A: 1.50% per annum A1: 1.50% per annum C: 1.00% per annum I: 0.00% per annum	A: 1.50% per annum A1: 1.50% per annum C: 0.75% per annum I: 0.00% per annum
Distribution Charge by Share Class	A: 0.00% per annum A1: 0.50% per annum C: 0.00% per annum I: 0.00% per annum	A: 0.00% per annum A1: 0.50% per annum C: 0.00% per annum I: 0.00% per annum

*SRRI based on Class A Accumulation USD of the Merging Fund and A Accumulation USD Hedged of the Receiving Fund.

Existing and New Share Class Mapping

Merging Fund Schroder ISF – Asian Diversified Growth		Receiving Fund Schroder ISF – Global Diversified Growth	
Existing Share Class Held	ISIN Codes	New Share Class to be Held	ISIN Codes
A Accumulation USD	LU0776413519	A Accumulation USD Hedged	LU0776412461
A1 Accumulation USD	LU0776413600	A1 Accumulation USD Hedged	LU0776412545
C Accumulation USD	LU0776413782	C Accumulation USD Hedged	LU0776412628
I Accumulation USD	LU0776413949	I Accumulation USD Hedged	LU0968301654
I Accumulation GBP Hedged	LU0825879421	I Accumulation GBP Hedged	LU0776412206

The Merger will also apply to any additional share classes launched prior to the Effective Date. Currently there is no intention to launch any additional share classes prior to the Effective Date.

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

Global Diversified Growth

a sub-fund of Schroder International Selection Fund SICAV

Class A1 Accumulation USD Hedged (LU0776412545)

This fund is managed by Schroder Investment Management (Luxembourg) S.A., which is a member of the Schroders Group.

Objectives and Investment Policy

Objectives

The fund aims to provide capital growth and income.

Investment Policy

The fund will invest globally in equities and bonds, funds that themselves hold equities and bonds and money market instruments. The fund will gain exposure to alternative asset classes such as real estate, commodities, hedge funds and private equity. The fund may also hold cash on deposit.

The fund aims to provide a return similar to global equities over an investment cycle, which is typically a five to seven year period, but with two-thirds of the risk of global equities (measured by volatility). It seeks to do this by holding a wide range of investments in equities, bonds, and alternative assets. The weightings of these holdings are adjusted in response to changing market conditions.

Derivatives may be used to achieve the investment objective and to reduce risk or manage the fund more efficiently.

Benchmark

This share class is not managed with reference to a financial index.

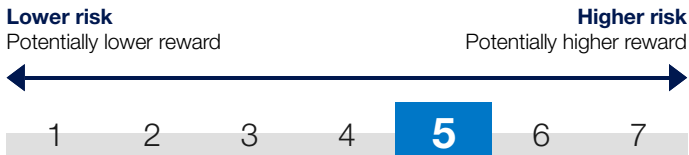
Dealing Frequency

You may redeem your investment upon demand. This fund deals daily.

Distribution Policy

This share class accumulates income received from the fund's investments, meaning it is kept in the fund and its value is reflected in the price of the share class.

Risk and Reward Profile



The risk and reward indicator

The risk category is based upon the fund's risk target and there is no guarantee that the fund will achieve it.

The fund's risk category is not guaranteed to remain fixed and may change over time.

A fund in the lowest category does not mean a risk-free investment.

The fund is in this category because it can take higher risks in search of higher rewards and its price may rise and fall accordingly.

Risk factors

The following risks may affect fund performance.

Counterparty risk: The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the fund, potentially creating a partial or total loss for the fund.

Counterparty risk / money market & deposit: A failure of a deposit institution or an issuer of a money market instrument could create losses.

Credit risk: A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Currency risk: The fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

Currency risk / hedged share class: Changes in exchange rates will affect the returns on your investment. The aim of this US dollar hedged share class is to provide you with the performance returns of the fund's investments by reducing the effects of exchange rate fluctuations between US dollar and the fund's base currency euro.

Derivatives risk: A derivative may not perform as expected, and may create losses greater than the cost of the derivative.

Equity risk: Equity prices fluctuate daily, based on many factors including general, economic, industry or company news.

High yield bond risk: High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

Interest rate risk: A rise in interest rates generally causes bond prices to fall.

Leverage risk: The fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

Liquidity risk: In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares.

Operational risk: Failures at service providers could lead to disruptions of fund operations or losses.

Charges

One-off charges taken before or after you invest	
Entry charge	4.00%
Exit charge	None
Charges taken from the fund over a year	
Ongoing Charge	2.27%
Charges taken from the fund under certain specific conditions	
Performance fee	None

This is the maximum that might be taken out of your money before it is invested.

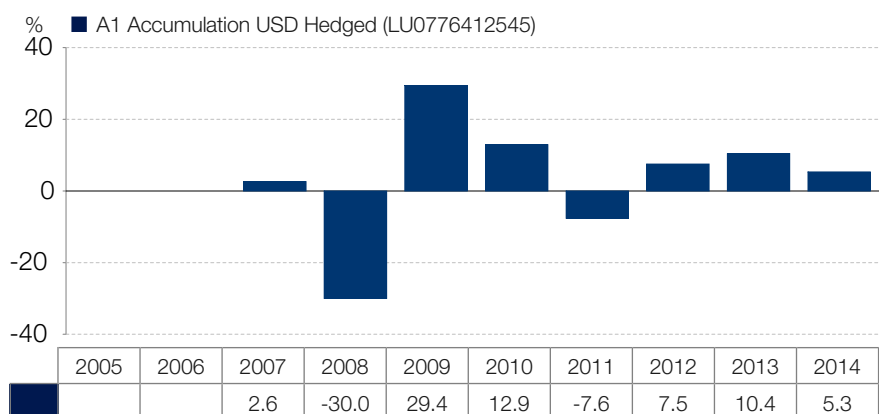
The charges you pay are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

The entry and exit charges shown are maximum figures and in some cases you might pay less. You can find out the actual entry and exit charges from your financial advisor.

The ongoing charges figure is based on the last year's expenses for the year ending May 2015 and may vary from year to year.

You can find more information about the charges in Section 3 of the fund's prospectus.

Past Performance



1 Performance up to 2 July 2012 predates the launch of this share class and has been simulated using the history of Strategic Solutions Global Diversified Growth, which contributed all of its assets and liabilities to the fund Schroder International Selection Fund Global Diversified Growth on 2 July 2012.

Past performance is not a guide to future performance and may not be repeated. The value of investments may go down as well as up and you may not get back the amount you originally invested.

The chart shows performance in US dollar after the ongoing charges and the portfolio transaction costs have been paid. Entry and exit charges are excluded from calculations of past performance.

The fund was launched on 2 July 2012.

Practical Information

Depository: J. P. Morgan Bank Luxembourg S.A.

Further Information: You can get further information about this fund, including the prospectus, latest annual report, any subsequent half-yearly report and the latest price of shares from the fund's management company at 5, rue Höhenhof, L-1736 Senningerberg, Luxembourg, and from www.schroders.lu/kid. They are available free of charge in Bulgarian, English, French, German, Greek, Hungarian, Italian, Polish, Flemish, Dutch, Portuguese and Spanish.

Tax Legislation: The fund is subject to Luxembourg tax legislation which may have an impact on your personal tax position.

Liability: Schroder Investment Management (Luxembourg) S.A. may be held liable solely on the basis of any statement contained in

this document that is misleading, inaccurate or inconsistent with the relevant parts of the fund's prospectus.

Umbrella Fund: This fund is a compartment of an umbrella fund, the name of which is at the top of this document. The prospectus and periodic reports are prepared for the entire umbrella fund. To protect investors, the assets and liabilities of each compartment are segregated by law from those of other compartments.

Switches: Subject to conditions, you may apply to switch your investment into another share class within this fund or in another Schroder fund. Please see the prospectus for more details.

Glossary: You can find an explanation of some of the terms used in this document at www.schroders.lu/kid/glossary.