

26 March 2018

Dear Shareholder,

Liquidation of Schroder GAIA – Paulson Merger Arbitrage

Paulson & Co Inc, the investment manager of the Schroder GAIA Paulson Merger Arbitrage sub-fund (the "Fund") has informed the board of directors (the "Board") of Schroder GAIA (the "Company") that it no longer wishes to act as investment manager for the Fund as it would be increasingly challenging to continue managing the portfolio of the Fund while still adhering to the UCITS rules governing portfolio construction. After careful analysis and review, the Board has decided to liquidate the Fund in accordance with the terms of this letter. This is considered to be in the best interest of the shareholders of the Fund and is in accordance with Article 5 of the Company's articles of incorporation and the provisions of its prospectus (the "Prospectus").

Liquidation plan

With immediate effect Schroder Investment Management (Luxembourg) S.A. (the "Management Company") will accept no further requests for subscriptions, redemptions or switches into or out of the Fund. All pending requests will be cancelled. However, subscription, redemption and switching requests received prior to the dealing cut-off on 23 March 2018, for execution on trade date 28 March 2018 will be honoured. All shareholders will participate in the liquidation.

The final trading day for the Fund will be 29 March 2018. On 06 April 2018 the Management Company will pay to each shareholder, pro-rata to its respective shareholding, the cash proceeds of the liquidation. Statements of the related liquidation redemptions will be sent to shareholders on the same day.

Costs

The 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

We recommend that you seek independent professional advice on how this liquidation affects your tax status.

Liquidation proceeds

Any liquidation proceeds not claimed by shareholders at the close of the liquidation of the Fund will be deposited in escrow at the Caisse de Consignation in Luxembourg. Amounts not claimed from escrow within the period set out in the law may be liable to be forfeited in accordance with the provisions of Luxembourg law.

For more information on the other sub-funds available in the Schroder GAIA range, please visit www.schroders.com. If you have any questions about the liquidation, please contact your local Schroders office, your usual professional adviser or the Management Company on (+352) 341 342 212.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Alastair Woodward', with a large, sweeping flourish extending to the right.

Alastair Woodward
Authorised Signatory

A handwritten signature in black ink, appearing to read 'Cord Rodewald', with a large, sweeping flourish extending to the right.

Cord Rodewald
Authorised Signatory

Appendix

ISIN codes of share classes being liquidated

Share class	Share class currency	ISIN code
A Accumulation	USD	LU1062022659
C Accumulation	USD	LU1062022733
C Distribution	USD	LU1121911868
E Accumulation	USD	LU1062022816
I Accumulation	USD	LU1062022907
A Accumulation	EUR Hedged	LU1062023038
C Accumulation	EUR Hedged	LU1062023111
E Accumulation	EUR Hedged	LU1062023202
I Accumulation	EUR Hedged	LU1202256936
C Accumulation	GBP Hedged	LU1062023384
C Distribution	GBP Hedged	LU1062023467
E Distribution	GBP Hedged	LU1062023541
I Accumulation	GBP Hedged	LU1094335350
A Accumulation	CHF Hedged	LU1074554186
C Accumulation	CHF Hedged	LU1074554269