

28 May 2018

Dear Shareholder,

Schroder International Selection Fund — European Alpha Focus

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 54% of the fund in which you are invested. We have provided full details of this merger below.

On 4 July 2018 (the "Effective Date"), Schroder International Selection Fund — European Equity (Ex UK) will merge into Schroder International Selection Fund — European Alpha Focus (the "Fund"). The Fund will continue to exist following the merger. Dealing in the Fund will not be interrupted by the merger.

The decision to merge the sub-funds was taken by the board of Schroder International Selection Fund (respectively the "Board" and the "Company"). The merger was authorised by the Commission de Surveillance du Secteur Financier on 27 April 2018.

The merger is due to the declining size of Schroder International Selection Fund — European Equity (Ex UK) and the better performance and similarity in strategy of the Fund.

This notice is required by Luxembourg law and is being sent to you for informational purposes only.

Impact on the Fund's investment portfolio and performance

The Fund will continue to be managed according to its current investment objective and strategy after the merger. Prior to the merger the European Equity (Ex UK) sub-fund will dispose of any assets which do not fit with the Fund's investment portfolio or which cannot be held due to investment restrictions. The Fund's investment portfolio will not need to be rebalanced before or after the merger. Consequently the Board does not foresee any material impact on the Fund's investment portfolio or performance as a result of 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 the Company's management company, Schroder Investment Management (Luxembourg) S.A. The European Equity (Ex UK) sub-fund will bear the market-related transaction costs associated with the disposal of any investments that would not fit well in the Fund.

Effective date and rights of shareholders

The merger will be implemented on 4 July 2018 (the "Effective Date"). As a shareholder in the Fund you have the right to redeem your holding or switch it into the same share class of one or more of the Company's other sub-funds prior to the merger. If you do not wish to continue to hold shares in the Fund after the

merger you may at any time up to and including deal cut-off at 1:00 p.m. Luxembourg time on 4 July 2018 send your instructions to redeem or switch your shares for execution prior to the merger. Schroder Investment Management (Luxembourg) S.A. acting as the Company's management company will carry out your instructions free of charge in accordance with the provisions of the prospectus of the Company. Please note that some distributors, paying agents, correspondent banks or similar agents might charge you transaction fees. Please also note that they might have a local deal cut-off which is earlier than the Fund's cut-off time in Luxembourg, and we recommend that you check with them to ensure that your instructions reach Schroder Investment Management (Luxembourg) S.A. before the deal cut-off given above.

Redemption and / or switching of shares might affect the tax status of your investment. We therefore recommend you to seek independent professional advice in these matters.

Exchange ratio and treatment of accrued income

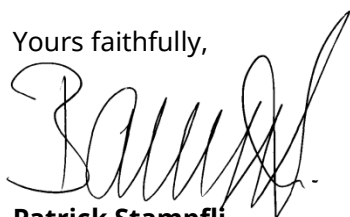
On the Effective Date, the net assets and liabilities of the European Equity (Ex UK) sub-fund, including any accrued income, will be calculated in its final net asset value per share for each share class and shareholders in the European Equity (Ex UK) sub-fund will be issued shares of an equal amount by value of shares in the Fund at the net asset value per share for the corresponding share class calculated on that day. Thereafter accrued income will be accounted for on an on-going basis in the net asset value per share for each share class in the Fund. Any income accrued in the Fund prior to the merger will not be affected.

Further information

Luxembourg law requires that an audit report to be prepared by the Company's approved statutory auditor in relation to the merger. Such audit report will be available free of charge upon request from Schroder Investment Management (Luxembourg) S.A.

If you would like more information, or have any questions about the merger, please contact your local Schrodgers office or your usual professional advisor or Schroder Investment Management (Luxembourg) S.A. on (+352) 341 342 212. 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 Schrodgers office, your usual professional advisor or the Management Company on (+352) 341 342 212.

Yours faithfully,



Patrick Stampfli
Authorised Signatory



Alastair Woodward
Authorised Signatory