

21 December 2018

Dear Shareholder,

Schroder International Selection Fund – Multi-Asset PIR Italia

The board of directors of Schroder International Selection Fund (the "Company") has decided to change the investment policy of Schroder International Selection Fund – Multi-Asset PIR Italia (the "Fund") with effect from 19 February 2019 (the "Effective Date").

The Fund's investment policy will be changed to remove a restriction on investing in Italian real estate companies following the passing of the Italian 2018 Budget Act, which now permits such investments for funds eligible under the "Piano Individuale di Risparmio a lungo termine".

The Fund's investment policy, which is contained in the Company's prospectus, is being changed from:

"Investment Policy

The Fund invests at least 70% of its assets directly or indirectly (through open-ended Investment Funds and Exchange Traded Funds) in equity and equity related securities of Italian companies, as well as fixed and floating rate securities issued by Italian companies, excluding real estate companies. The Fund invests at least 30% of these assets (which corresponds to at least 21% of the Fund's assets) in securities of Italian companies outside of the FTSE MIB index or other equivalent indices.¹

The Fund may invest:

- in commodities through eligible assets as described under the definition of "Alternative Asset Classes" in Appendix III of this Prospectus;
- in currencies;
- in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds); and
- up to 10% of its assets in securities issued by, or entered into with, the same company or companies belonging to the same group.

The Fund may use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, total return swaps and contracts for difference may be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to

¹ An equivalent index is deemed to be the main index in a jurisdiction other than Italy, such as the FTSE 100 in the UK, DAX in Germany and CAC 40 in France.

remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher. The Fund may also invest in money market instruments and may hold up to 10% of its assets in cash.

The Fund complies with the conditions of eligibility allowing its shares to be held in a "Piano Individuale di Risparmio a lungo termine" (PIR) under the Italian 2017 Budget Law (Law No 232 of 11 December 2016). If PIR requirements change the Fund's investment policy may change.

The Fund may invest more than 10% of its assets in open-ended Investment Funds (including other Schroder Funds)."

To:

"Investment Policy

The Fund invests at least 70% of its assets directly or indirectly (through open-ended Investment Funds and Exchange Traded Funds) in equity and equity related securities of Italian companies, as well as fixed and floating rate securities issued by Italian companies. The Fund invests at least 30% of these assets (which corresponds to at least 21% of the Fund's assets) in securities of Italian companies outside of the FTSE MIB index or other equivalent indices.¹

The Fund may invest:

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- in currencies;
- in fixed and floating rate securities that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schrodgers ratings for non-rated bonds); and
- up to 10% of its assets in securities issued by, or entered into with, the same company or companies belonging to the same group.

The Fund may use derivatives (including total return swaps), long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently. Where the Fund uses total return swaps and contracts for difference, the underlying consists of instruments in which the Fund may invest according to its Investment Objective and Investment Policy. In particular, total return swaps and contracts for difference may be used to gain long and short exposure on equity and equity related securities, fixed and floating rate securities and commodity indices. The gross exposure of total return swaps and contracts for difference will not exceed 30% and is expected to remain within the range of 0% to 20% of the Net Asset Value. In certain circumstances this proportion may be higher. The Fund may also invest in Money Market Instruments and may hold up to 10% of its assets in cash.

The Fund complies with the conditions of eligibility allowing its shares to be held in a "Piano Individuale di Risparmio a lungo termine" (PIR) under the Italian 2017 Budget Law (Law No 232 of 11 December 2016), and any subsequent amendment. If PIR requirements change the Fund's investment policy may change.

The Fund may invest more than 10% of its assets in open-ended Investment Funds (including other Schroder Funds)."

All other key features of the Fund and its risk profile will remain the same. There will be no change in the Fund's investment style or investment philosophy following this change. The ISIN codes of the share classes affected by this change are listed in the appendix of this letter.

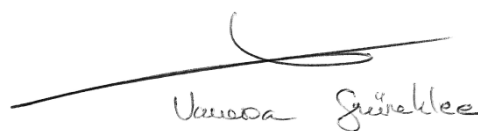
We hope that you will choose to remain invested in the Fund following these changes, but if you do wish to redeem your holding in the Fund or to switch into another of the Company's sub-funds before the Effective Date you may do so at any time up to and including deal cut-off on 18 February 2019. Schroder Investment Management (Europe) S.A. will execute your redemption or switch instructions in accordance with the provisions of the Company's 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 Schroders in Luxembourg before the deal cut-off on 18 February 2019.

If you have any questions or would like more information about Schroders' products please contact your local Schroders office, your usual professional adviser, or Schroder Investment Management (Europe) S.A. on (+352) 341 342 212.

Yours faithfully,



Chris Burkhardt
Authorised Signatory



Vanessa Grueneklee
Authorised Signatory

Appendix

ISIN codes of share classes affected by the change

Share class	Share class currency	ISIN code
A Accumulation	EUR	LU1725197179
B Accumulation	EUR	LU1725197336
C Accumulation	EUR	LU1725197500
E Accumulation	EUR	LU1725197765
A Distribution AV	EUR	LU1725197922
B Distribution AV	EUR	LU1725198144