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**IMPORTANT:** This letter is important and requires your immediate attention. If you have any questions about the content of this letter, you should seek independent professional advice. The directors of Schroder International Selection Fund accept full responsibility for the accuracy of the information contained in this letter and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement misleading.

**18 September 2015**

Dear Shareholder,

### **Schroder International Selection Fund – Asian Smaller Companies**

The board of directors of Schroder International Selection Fund (the "Company") has decided to clarify the investment objective and policy of Schroder International Selection Fund – Asian Smaller Companies (the "Fund"). The purpose of this clarification is to provide investors with greater transparency on the Fund's investment strategy and to highlight the fact that the Fund may invest in China A-Shares through the newly available Shanghai-Hong Kong Stock Connect program.

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

#### **"Investment Objective**

To provide capital growth primarily through investment in equity and equity related securities of Asian (ex Japan) smaller-sized companies. Smaller-sized companies are considered companies which, at the time of purchase, form the bottom 30% by market capitalisation of the Asian (ex Japan) market."

to:

#### **"Investment Objective**

The Fund aims to provide capital growth by investing in equity and equity related securities of Asian smaller-sized companies (excluding Japan).

#### **Investment Policy**

At least two-thirds of the Fund's assets (excluding cash) will invest in equities of smaller-sized companies in Asia (excluding Japan). The Fund may invest directly in China B-Shares and China H-Shares and may invest up to 10% of its assets in China A-Shares through Shanghai-Hong Kong Stock Connect.

Smaller-sized companies are considered companies which, at the time of purchase, form the bottom 30% by market capitalisation of the Asian (excluding Japan) market.

The Fund may invest in financial derivative instruments including futures, forwards and options for the purposes of efficient portfolio management. The Fund may also hold cash.

### Specific Risk Consideration

Shanghai-Hong Kong Stock Connect is a securities trading and clearing linked program developed by The Stock Exchange of Hong Kong Limited, Shanghai Stock Exchange, Hong Kong Securities Clearing Company Limited and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC (excluding Hong Kong, Macau and Taiwan) and Hong Kong. A detailed description of the Shanghai-Hong Kong Stock Connect program as well as risks linked thereto can be found in Appendix II of this Prospectus."

Accordingly, the additional information of the Fund as disclosed in the "Fund Details" section of the Hong Kong Covering Document of the Company is being clarified from:

"For clarification, in relation to the Fund's investment objective as described in the said Appendix III to the Prospectus, the Fund may invest directly in China A-Shares via the Stock Connect (as further described in the section headed "Shanghai-Hong Kong Stock Connect" in this document). Indirect exposure to China A-Shares may also be sought for the Fund through investment in financial instruments such as China market access products and other funds with China access through RQFII/QFII quota. The Fund does not currently intend to invest (i) more than 5% of its Net Asset Value in China A-Shares via Stock Connect and (ii) more than 30% of its Net Asset Value directly and indirectly in China A-Shares and China B-Shares."

to:

"For clarification, in relation to the Fund's investment objective as described in the said Appendix III to the Prospectus, the Fund may invest directly in China A-Shares via the Stock Connect (as further described in the section headed "Shanghai-Hong Kong Stock Connect" in this document). Indirect exposure to China A-Shares may also be sought for the Fund through investment in financial instruments such as China market access products and other funds with China access through RQFII/QFII quota. The Fund does not currently intend to invest more than 30% of its Net Asset Value directly and indirectly in China A-Shares and China B-Shares."

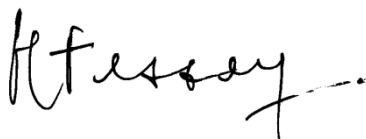
For further information about the Stock Connect, please refer to the "Shanghai-Hong Kong Stock Connect" section of the Hong Kong Covering Document. Investors should also pay attention to the risk disclosure in "PRC tax consideration" and "Risks associated with the Shanghai-Hong Kong Stock Connect" in the "Risks of Investment" section of the Hong Kong Covering Document.

All other key features of the Fund, including fee structure, risk profile and the way financial derivative instruments are used, will remain the same.

Any expenses incurred directly as a result of making this change will be borne by Schroder Investment Management (Luxembourg) S.A., the Company's management company.

If you would like more information, please contact your usual professional advisor or Schroders Investor Hotline on (+852) 2869 6968.

Yours faithfully,



**Noel Fessey**  
Authorised Signatory



**Nathalie Wolff**  
Authorised Signatory