

Tel : (+352) 341 342 202 Fax : (+352) 341 342 342

**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.**

**30 April 2015**

Dear Shareholder,

**Schroder International Selection Fund Asian Bond Absolute Return (the "Fund")**

Schroder Investment Management (Singapore) Ltd, the investment manager of the Fund (the "Investment Manager") has recently obtained a Renminbi Qualified Foreign Institutional Investor ("RQFII") licence and has been granted RQFII quota ("RQFII quota") by the State Administration of Foreign Exchange ("SAFE"). The board of directors of Schroder International Selection Fund (the "Company") has decided to provide a greater flexibility for the Fund to capture market opportunities, the Fund may invest directly in the People's Republic of China (the "PRC") through the RQFII quota made available by the Investment Manager to the Fund from time to time.

In connection with the Fund's investment in the PRC through RQFII quota, the investment objective and investment strategy of the Fund in the "Fund Details" section of the Hong Kong Covering Document will be enhanced as follows:

**"Asian Bond Absolute Return**

For clarification, the Fund may invest in the PRC to achieve its investment objective through RQFII quota granted by SAFE. It is intended that the exposure of the Fund to PRC onshore investment through RQFII will not exceed 30% of the Net Asset Value.

The Fund may not invest:

- (a) more than 10% of its Net Asset Value in Urban Investment Bonds (城投债), which means debt instruments issued by local government financing vehicles ("LGFVs") and traded on the PRC exchange-traded bond markets and interbank bond market. These LGFVs are separate legal entities established by local governments and/or their affiliates to raise financing for public welfare investment or infrastructure projects;
- (b) more than 5% of its Net Asset Value in asset-backed securities (including mortgage-backed securities and asset-backed commercial papers); and
- (c) in structured deposits or structured products.

The Fund does not have explicit restrictions on the minimum credit ratings of debt securities it may hold through RQFII. The aggregate investment in debt securities with a credit rating below investment grade (i.e. rated below BBB- by any internationally recognised credit rating agency, such as Standard & Poor's, Moody's or Fitch, or rated BB+ or below by any PRC domestic credit rating

agency; whenever different ratings are assigned by different credit rating agencies, the lowest credit ratings assigned to the security will be adopted by the Fund) or unrated debt securities through RQFII will not exceed 30% of the Fund's Net Asset Value. For this purpose, if the relevant security does not itself have a credit rating, then reference can be made to the credit rating of the issuer of the security. If both the security and the relevant issuer are not rated, then the security will be classified as unrated."

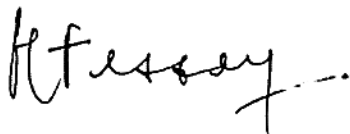
For further information about the RQFII regime and overview of the PRC debt securities market, please refer to the "RQFII regime" section and Appendix I of the Hong Kong Covering Document respectively. Shareholders should also pay attention to the enhanced risk disclosure in Appendices II and III of the Prospectus of the Company, as well as, "PRC tax consideration" and "RQFII risks" in the "Risks of Investment" section of the Hong Kong Covering Document.

The Company confirms that in respect of the clarification as discussed above:

- The investment style, investment philosophy and risk profile of the Funds will remain the same;
- All fees chargeable in respect of the Funds as stated in the Prospectus will remain the same.

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

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**30 April 2015**

Dear Shareholder,

**Schroder International Selection Fund – Asian Bond Absolute Return**

The board of directors of Schroder International Selection Fund (the "Company") has decided to change the expected level of leverage of Schroder International Selection Fund – Asian Bond Absolute Return (the "Fund").

The previous expected level of leverage, as stated in the Company's prospectus dated July 2014, was 150% of the total net assets of the Fund. This has been increased to 250% of the total net assets of the Fund mainly due to the use of derivatives for currency hedging. The expected level of leverage using commitment approach, which does not take into account the use of derivatives for currency hedging, remains unchanged in the range of 0% to 200%.

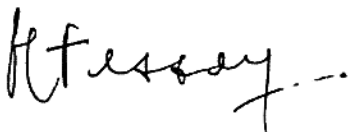
The Company confirms that in respect of this change:

- The investment style, investment philosophy and risk profile of the Fund will remain the same;
- All fees chargeable in respect of the Fund as stated in the Prospectus 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 about this change please contact your usual professional advisor or Schroders' Investor Hotline on (+852) 2869 6968.

Yours faithfully,



**Noel Fessey**  
Authorised Signatory



**Nathalie Wolff**  
Authorised Signatory