

3 January 2020

Dear Shareholder,

Schroder International Selection Fund – Global High Income Bond

The board of directors of Schroder International Selection Fund (the "Company") has decided to change the name, investment objective and policy, the risk considerations and the Investment Manager of Schroder International Selection Fund – Global High Income Bond (the "Fund") with effect from 26 February 2020 (the "Effective Date").

It has also decided that with effect from 1 March 2020 the management fee for A, AX, A1, B and D share classes of the Fund will be increased from 1.00% to 1.20%.

Name change

The Fund's new name will be Schroder International Selection Fund – Global Credit High Income, to better position the Fund alongside Schroders existing range of credit funds.

Investment Objective and Policy change and use of leverage

From the Effective Date, the investment objective will be amended to reflect that while the Fund will focus on producing high levels of income it will also seek to mitigate capital losses in falling markets.

The investment policy will be amended to reflect that the Fund can hold up to 10% of its assets in open-ended investment funds. The Fund will no longer use total return swaps.

From the Effective Date, the Fund will be able to use leverage, which is expected to be up to 500% of the total net assets.

The investment objective and policy of the Fund, contained in the Company's prospectus, will be changed as below. The sections headed "Risk Management Method" and "Expected Leverage" will also be added to the risk considerations of the Fund contained in the Company's prospectus as the Fund will calculate its global exposure by using the Absolute Value at Risk (VaR) approach instead of the commitment approach, as shown below.

From:

"Investment Objective

The Fund aims to provide income and capital growth by investing in fixed and floating rate securities.

Investment Policy

The Fund invests at least two-thirds of its assets in fixed and floating rate securities denominated in various currencies issued by governments, government agencies, supra-nationals and companies worldwide. The Fund seeks to generate sustainable income by investing in emerging market government bonds, emerging market corporate bonds and developed market high yield corporate bonds.

The Fund may invest in excess of 50% of its assets in 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). The Fund may invest up to 20% of its assets in asset-backed securities and mortgage-backed securities. The Fund may invest up to 10% of its assets in contingent convertible bonds. The Fund may also hold currency positions through currency forwards or via the above instruments.

The Fund may use derivatives (including total return swaps) 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. In particular, total return swaps and contracts for difference may be used to gain long and short exposure on fixed and floating rate securities. The gross exposure of total return swaps and contracts for difference will not exceed 5% and is expected to remain within the range of 0% to 5% of the Net Asset Value. In certain circumstances this proportion may be higher. The Fund may also invest in Money Market Instruments and hold cash."

to:

"Investment Objective

The Fund aims to provide capital growth and income by investing in fixed and floating rate securities issued by governments and companies worldwide. The Fund aims to mitigate losses in falling markets. The mitigation of losses cannot be guaranteed.

Investment Policy

The Fund invests at least two-thirds of its assets in fixed and floating rate investment grade and high yield securities issued by governments, government agencies, supra-nationals and companies worldwide, including emerging market countries. As the Fund is index-unconstrained it is managed without reference to an index.

The Fund may invest:

- in excess of 50% of its assets in 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);
- up to 20% of its assets in asset-backed securities and mortgage-backed securities;
- up to 10% of its assets in convertible bonds (including contingent convertible bonds);
- up to 10% of its assets in open-ended Investment Funds; and
- in money market investments and hold cash.

The Investment Manager aims to mitigate losses by diversifying the Fund's asset allocation away from areas of the market identified as having a high risk of material negative return.

The Fund may use derivatives, long and short, with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently.

Risk Management Method

Absolute Value at Risk (VaR)

Expected Leverage

500% of the total net assets

The expected level of leverage may be higher when there is unusually high or low volatility."

Investment Manager Change

From the Effective Date the Investment Manager will change from Schroder Investment Management North America Inc. to Schroder Investment Management Limited.

Annual Management Fee Increase

From 1 March 2020, the annual management fee of some share classes will increase as follows:

Share Class	Current Management Fee	New Management Fee
A	1.00%	1.20%
AX	1.00%	1.20%
A1	1.00%	1.20%
B	1.00%	1.20%
D	1.00%	1.20%

All other key features of the Fund will remain the same. The ISIN codes of the share classes affected by the above changes 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 25 February 2020. Please ensure that your redemption or switch instruction reaches HSBC France, Luxembourg branch ("HSBC") before this deadline. As previously communicated by Schroder Investment Management (Europe) S.A. ("SIM EU"), the management company of the Company, the delegation of transfer agency ("TA") activities by SIM EU to HSBC took effect from 1 July 2019. All non-electronic applications for redemption or switch should therefore be sent to the following address:

Postal address: HSBC France, Luxembourg branch
16, Boulevard d'Avranches
BP413
L-2014 Luxembourg

Telephone: +352 404646500
Fax: +352 26378977

There have been no changes to existing electronic trading channels.

HSBC 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 HSBC before the deal cut-off on 25 February 2020.

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) 341 342 202.

Yours faithfully,



Chris Burkhardt
Authorised Signatory



Nirosha Jayawardana
Authorised Signatory

Appendix

ISIN codes of share classes affected by the changes

Share class	Share class currency	ISIN code
A Accumulation	USD	LU0575582027
I Accumulation	USD	LU0575582530
IZ Accumulation	USD	LU2016217809
A Distribution	USD	LU0575582704
B Distribution	USD	LU0619770406
A Accumulation	EUR Hedged	LU0592039324
A Distribution	EUR Hedged	LU0592039753
A1 Distribution	EUR Hedged	LU0671501715
B Distribution	EUR Hedged	LU0587554352
C Accumulation	EUR Hedged	LU0903425766
A1 Accumulation	PLN Hedged	LU0903428786
A Accumulation	SEK Hedged	LU0665709597