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15 June 2012

Dear Shareholder,

Schroder International Selection Fund – European Large Cap

The board of directors (the "**Board**") of Schroder International Selection Fund (the "**Company**") writes to you as a shareholder of the Schroder International Selection Fund – European Large Cap¹ to inform you that it will merge with the Schroder International Selection Fund – EURO Active Value² (the "**Merger**"). European Large Cap will continue to exist following the Merger. Dealing in European Large Cap will not be interrupted by the Merger.

This notice is required by Luxembourg law.

Impact on European Large Cap's investment portfolio and performance

European Large Cap will continue to be managed according to its current investment objective and strategy after the Merger. Prior to the Merger EURO Active Value will dispose of any assets which do not fit well in European Large Cap's investment portfolio or which cannot be held due to investment restrictions. European Large Cap's investment portfolio will not need to be rebalanced before or after the Merger. Consequently the Board does not foresee any material impact on European Large Cap'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 "**Management Company**"). EURO Active Value will bear the market-related transaction costs associated with the disposal of any investments that would not fit well in European Large Cap.

Effective date and rights of shareholders

The Merger will be implemented on 25 July 2012 (the "**Effective Date**"). As a shareholder in European Large Cap you have the right to redeem your holding or to switch into another of the Company's sub-funds before the Effective Date. We hope that you remain invested in European Large Cap, however, if you do not wish to continue to hold your shares after the Merger you may at any time up to and including 25 July 2012 redeem or switch your shares. Please ensure that your redemption or switch instruction reaches the Management Company before the deal cut-off at 1:00 p.m. on 25 July 2012 in order that your instruction is executed prior to the Merger. The Management Company will execute 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 European Large Cap's cut-off time in Luxembourg, and we recommend that you check with them to ensure that your instructions reach the Management Company before the deal cut-off given above.

Redemptions or switches might affect the tax status of your investment. We therefore recommend you to seek independent professional advice in these matters.

¹ Hereafter referred to as European Large Cap

² Hereafter referred to as EURO Active Value

Exchange ratio and treatment of accrued income

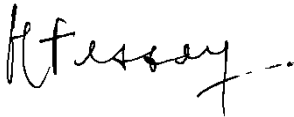
On the Effective Date, the net assets and liabilities of EURO Active Value, including any accrued income, will be calculated in its final net asset value per share for each share class and shareholders in EURO Active Value will be issued shares of an equal amount by value of shares in European Large Cap 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 European Large Cap. Any income accrued in the European Large Cap prior to the Merger will not be affected.

Further information

Luxembourg law requires for 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 the Management Company.

If you would like more information, please contact your local Schroders office or your usual professional advisor or the Management Company on (+352) 341 342 212.

Yours faithfully,



Noel Fessey
Authorised Signatory



Gary Janaway
Authorised Signatory

Appendix

ISIN codes of share classes affected by these changes

Share class	Share class currency	ISIN code
A Accumulation	EUR	LU0106236937
A1 Accumulation	EUR	LU0133709740
B Accumulation	EUR	LU0106237075
C Accumulation	EUR	LU0106237315
I Accumulation	EUR	LU0134337632
A Distribution	EUR	LU0062647606
B Distribution	EUR	LU0083899699
C Distribution	EUR	LU0062908172
C Accumulation	USD	LU0725252216

Any additional share classes launched in European Large Cap will also be subject to the Merger.