

28 December 2018

Dear Shareholder,

Schroder International Selection Fund

Schroder ISF European Alpha Focus

Schroder ISF European Dividend Maximiser

Schroder ISF European Large Cap

Schroder ISF UK Alpha Income (formerly Schroder ISF UK Opportunities)

Schroder ISF UK Equity

We are writing to you with reference to your investment in one or more of the sub-funds (each a "Fund" and together, the "Funds") of Schroder International Selection Fund (the "Company") listed above.

Each Fund is managed in such a way to allow French resident investors to invest through a tax efficient wrapper - the *Plan d'Épargne en Actions* ("PEA"). This eligibility for investment through a PEA is achieved by at least 75% of each Fund's assets being invested in equities of companies that are incorporated in the European Union ("EU") or the European Economic Area ("EEA"). At present, this means that companies incorporated in the United Kingdom ("UK") are eligible to be held through a PEA.

In the event that the UK leaves the EU on 29 March 2019, investments held in equities of companies incorporated in the UK may not be eligible assets for a PEA and, due to the weight of UK equities in the portfolios of the Funds, the Funds may no longer be able to claim PEA eligible status. Given the uncertainty in relation to the nature of the relationship between the EU and the UK after 29 March 2019, we are unable to advise definitively as to whether or not the Funds will cease to be PEA eligible after 29 March 2019.

Investors who hold one or more of the above Funds have the following options:

1. Take no action

In the event that the UK does not leave the EU or joins the EEA, the PEA status of the Funds will be retained.

In the event that a transitional arrangement is entered into between the EU and UK, the UK will leave the EU, but PEA status will be retained by the Funds for the duration of the transitional period.

In the event that the UK does leave the EU (without joining the EEA and without any transitional arrangement), the French government and/or tax authorities may issue guidance that allows investments in UK equities (via the Funds) to continue to be held in a PEA ("*PEA grandfathering*"). In such circumstances, the PEA status of the Funds will be retained. For your information, a similar approach was taken by the French tax authorities when new investments in listed real estate companies were no longer eligible to be held through a PEA. Moreover, draft French legislation in relation to the UK's departure from the UK would suggest that this option is being considered.

If the UK leaves the EU (without joining the EEA, without any transitional arrangement and without any PEA grandfathering), the Funds will lose their PEA status and the tax efficient status of the investment will be lost.

We will update investors via our website www.schroders.com/fr/ as soon as the position becomes clear, and any such changes will take effect on 29 March 2019.

2. Switch free of charge

If you wish to ensure that you maintain the PEA status of your investment you may switch free of charge into Schroder ISF EURO Equity, which will retain its PEA eligibility also in the event of the UK leaving the EU.

You may also switch free of charge into any other sub-fund of the Company but if you choose to do so the tax efficient status of your investment will be lost.

3. Redeem your investment

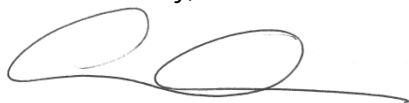
You may redeem your investment at any time free of charge.

Please note that if your investment has been held for less than five years and you choose to either switch to a non-PEA eligible sub-fund of the Company or redeem your investment, the favourable tax treatment associated with the PEA status of the Funds will be lost. You are advised to approach your bank or financial institution for further information on this subject.

If you wish to redeem your holding(s) in one or more of the Funds or to switch into another of the Company's sub-funds you may do so at any time. 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.

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,



Cecilia Vernerson
Authorised Signatory



Chris Burkhardt
Authorised Signatory

Appendix

ISIN codes of share classes affected by the change

Fund	Share class	Share class currency	ISIN
European Alpha Focus	A Accumulation	EUR	LU0591897516
European Alpha Focus	C Accumulation	EUR	LU0591897862
European Alpha Focus	E Accumulation	EUR	LU1577467829
European Alpha Focus	I Accumulation	EUR	LU0591898084
European Alpha Focus	Z Accumulation	EUR	LU0966865528
European Alpha Focus	E Accumulation	GBP	LU1577468124
European Alpha Focus	Z Accumulation	GBP	LU1577468710
European Alpha Focus	A Distribution AV	EUR	LU1817472001
European Alpha Focus	C Distribution AV	EUR	LU1817472423
European Alpha Focus	S Distribution SV	EUR	LU1817472936
European Alpha Focus	A Distribution AV	GBP	LU1817473744
European Alpha Focus	C Distribution AV	GBP	LU1817474478
European Alpha Focus	S Distribution AV	GBP	LU1817474809
European Alpha Focus	A Distribution AV	GBP Hedged	LU1817475525
European Alpha Focus	C Distribution AV	GBP Hedged	LU1817476507
European Dividend Maximiser	A Accumulation	EUR	LU0319791538
European Dividend Maximiser	A1 Accumulation	EUR	LU0319791967
European Dividend Maximiser	B Accumulation	EUR	LU0319791611
European Dividend Maximiser	C Accumulation	EUR	LU0319791884
European Dividend Maximiser	I Accumulation	EUR	LU0319792007
European Dividend Maximiser	Z Accumulation	EUR	LU0968427590
European Dividend Maximiser	A Distribution QF	EUR	LU0321371998
European Dividend Maximiser	A1 Distribution QF	EUR	LU0321374661
European Dividend Maximiser	AX Distribution MF	EUR	LU1188199183
European Dividend Maximiser	B Distribution QF	EUR	LU0321373184

Fund	Share class	Share class currency	ISIN
European Dividend Maximiser	C Distribution QF	EUR	LU0321373267
European Dividend Maximiser	C Distribution MF	EUR	LU1884787430
European Dividend Maximiser	I Distribution MV	EUR	LU1578646702
European Dividend Maximiser	Z Distribution QF	EUR	LU0968427673
European Dividend Maximiser	A Distribution MF	SGD Hedged	LU1262171884
European Dividend Maximiser	A Distribution MF	USD Hedged	LU1046234339
European Large Cap	A Accumulation	EUR	LU0106236937
European Large Cap	A1 Accumulation	EUR	LU0133709740
European Large Cap	B Accumulation	EUR	LU0106237075
European Large Cap	C Accumulation	EUR	LU0106237315
European Large Cap	I Accumulation	EUR	LU0134337632
European Large Cap	A Distribution AV	EUR	LU0062647606
European Large Cap	C Distribution AV	EUR	LU0062908172
European Large Cap	Z Accumulation	EUR	LU0968428218
European Large Cap	Z Distribution AV	EUR	LU0968428309
European Large Cap	A Accumulation	USD	LU1046231236
European Large Cap	C Accumulation	USD	LU0725252216
European Large Cap	A Distribution AV	GBP	LU0798850961
European Large Cap	C Distribution AV	GBP	LU0798851001
European Large Cap	Z Distribution AV	GBP	LU0968428135
UK Alpha Income	A Distribution SV	GBP	LU0995122701
UK Alpha Income	C Distribution SV	GBP	LU0995122883
UK Alpha Income	C Accumulation	GBP	LU0995123006
UK Alpha Income	S Distribution SV	GBP	LU1046234099
UK Alpha Income	A Distribution SV	EUR	LU0995123261
UK Alpha Income	C Distribution SV	EUR	LU0995123345
UK Alpha Income	C Accumulation	EUR	LU0995123428
UK Alpha Income	C Accumulation	EUR Hedged	LU0995123691

Fund	Share class	Share class currency	ISIN
UK Alpha Income	A Distribution SV	USD	LU0995123774
UK Alpha Income	C Distribution SV	USD	LU0995123857
UK Equity	A Accumulation	GBP	LU0106244527
UK Equity	A1 Accumulation	GBP	LU0133714401
UK Equity	B Accumulation	GBP	LU0106245920
UK Equity	C Accumulation	GBP	LU0106246225
UK Equity	S Accumulation	GBP	LU1041111730
UK Equity	I Accumulation	GBP	LU0134342558
UK Equity	A Distribution AV	GBP	LU0045667853
UK Equity	B Distribution AV	GBP	LU0052724597
UK Equity	C Distribution AV	GBP	LU0062906044
UK Equity	S Distribution AV	GBP	LU1041111904
UK Equity	Z Accumulation	GBP	LU0969112118
UK Equity	Z Distribution AV	GBP	LU0969112381
UK Equity	A Distribution AV	USD	LU0575583348
UK Equity	A Accumulation	EUR Hedged	LU1015430488
UK Equity	CN Accumulation	EUR Hedged	LU1725195983
UK Equity	A Accumulation	USD Hedged	LU1015430645
UK Equity	A Accumulation	CHF Hedged	LU1015430728