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30 November 2012

Dear Shareholder,

Schroder International Selection Fund dividend policy

We write to you on behalf of the board of directors of Schroder International Selection Fund (the "Board" and the "Company", respectively) to inform you about a change to the Company's dividend policy.

It is currently the Company's general dividend policy to make available distribution share classes which pay dividends based on investment income for the period after deduction of expenses.

The Board wishes to adopt a new general dividend policy that will ensure a distribution of income to shareholders as close as possible to that which they would receive if they directly held the underlying securities of the sub-fund of the Company in which they have invested. The Board has therefore decided to pay dividends based on income before deduction of expenses and distribution share classes that apply the current dividend policy will apply this new dividend policy with effect from 1 January 2013 (the "Effective Date").

Distribution share classes that pay fixed dividends are not affected by this change and will continue to be available.

Under the new general dividend policy, expenses will be paid out of capital. Capital growth will be reduced and in periods of low growth capital erosion may occur. The new dividend policy may also reduce the tax efficiency of a share class for shareholders in jurisdictions where capital gains are taxed more favourably than income. We therefore recommend that you take independent tax advice in respect of this change.

If you do not wish to hold distribution share classes under the terms of the new general dividend policy you may switch into another class of share (the Company also issues accumulation shares) or redeem your investment at any time up to and including deal cut-off on 31 December 2012. Schroder Investment Management (Luxembourg) 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. 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 Schroders in Luxembourg before the deal cut-off on 31 December 2012.

We hope that you will choose to remain invested after the change in policy. 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