

Schroder International Selection Fund

Japanese Smaller Companies

A Accumulation Share Class

Investment Objective, Policy and Risk

To provide capital growth primarily through investment in equity securities of smaller Japanese companies. Smaller Japanese companies are considered companies which, at the time of purchase, form the bottom 30% by market capitalisation of the Japanese market.

The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Investments in equities are subject to market risk and, potentially, to currency exchange rate risk. This fund may use financial derivative instruments as a part of the investment process. This may increase the fund's price volatility by amplifying market events.

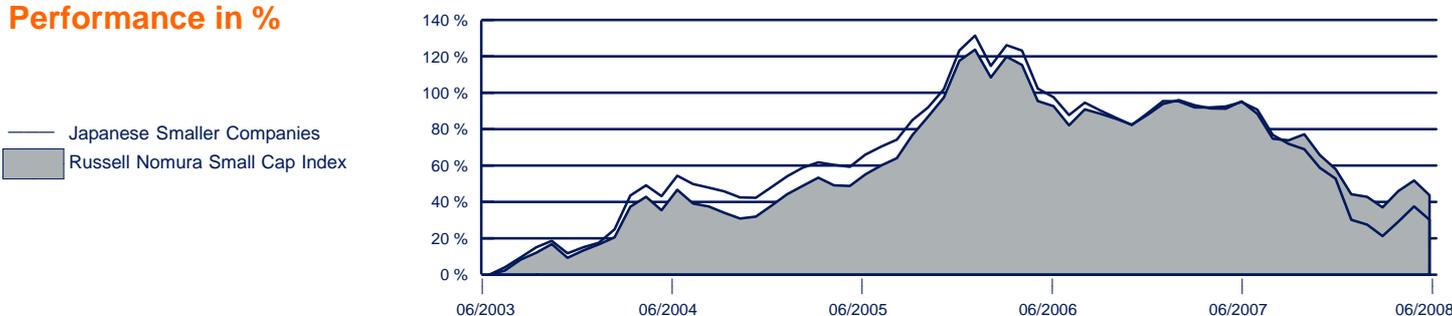
Fund Overview

We believe that the medium-to-long term prospects for Japanese smaller companies are favourable. The Japanese economy is experiencing a sustained recovery after many years of deflation (falling prices). Smaller companies, which are generally more sensitive to events in the domestic economy than large companies, are well placed to benefit from this trend. Broadly speaking, the quality of company management is also improving, with increased attention being paid to the interests of shareholders.

The Japanese smaller companies market is inefficiently researched, meaning there is the opportunity to invest in good quality companies which might not yet have been identified by other investors. We believe that our high level of knowledge and experience of the Japanese market, strong investment resources and detailed company research will allow us to make the most of the opportunities available among these companies. Our focus is on companies that can achieve a strong and sustainable rate of growth, where the share price offers good value, as these have the best prospects over the longer term, in our view.

Ayumi Kobayashi

Performance in %



Performance in %	3 months	1 year	3 years	5 years	Beta	Annual Volatility (%)
Japanese Smaller Companies	7.4	-33.2	-21.5	30.3	0.90	18.37
Russell Nomura Small Cap Index	5.0	-26.4	-7.3	43.8	---	19.59

Discrete Yearly Performance in %	Q2/2007 - Q2/2008	Q2/2006 - Q2/2007	Q2/2005 - Q2/2006	Q2/2004 - Q2/2005	Q2/2003 - Q2/2004
Japanese Smaller Companies	-33.2	-1.3	19.1	7.5	54.4
Russell Nomura Small Cap Index	-26.4	1.4	24.2	5.7	46.7

Past performance is not a guide to future performance and may not be repeated.

All fund performance data are on a NAV to NAV basis, net income reinvested. Data is not available for the time periods with no % growth stated. In case a share class is created after the fund's launch date, a simulated past performance is used, based upon the performance of an existing share class within the fund, taking into account the difference in the Total Expense Ratio.

Source: Schroders - In August 2004 the benchmark changed from Japan TSE Second Section to the Russell / Nomura Small Caps. The track record of the previous benchmark has been dropped and replaced by the new one.

Top 10 Holdings in %

Holding	% NAV
1. Fujikura Kasei	2.8
2. Minato Bank	2.8
3. Nichi-iko Pharmaceutical	2.6
4. Aica Kogyo	2.5
5. Yokogawa Bridge	2.4
6. Nishio Rent All	2.3
7. Yamatake	2.3
8. Tokyo Tomin Bank	2.2
9. Misumi	2.1
10. Musashi Seimitsu Industry	2.0
Total number of holdings =	88



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Asset Allocation in %



Index Source: Bloomberg

Other Net Assets is comprised of pure Cash (Cash in Bank), Payables and Receivables, Unrealised Profit and Loss on Forwards/ Futures/Swaps & Options and short term investments with 1 month or less to maturity.

0.97% of the fund was held as cash or short term investments with 1 month or less to maturity. Any negative cash position represents borrowing of a temporary nature to cover timing differences on trade settlements.

Key Information

Morningstar Ratings are sourced from Morningstar.

S&P Fund Management Ratings are sourced from S&P.

Fund Launch Date	13/10/1993
Total Fund Size (Million)	JPY 10,012.7
Fund Base Currency	JPY
S&P Fund Management Ratings	-
Morningstar Rating	★★★
Reuters	LU0106242315.LUF
Bloomberg	SCHJSAA LX
Initial Fee	5.26 %
Annual Management Fee	1.50 %
Minimum Investment Amount	EUR 1,000 or USD 1,000 or their near equivalent in any other freely convertible currency. The minimum subscription amount may be waived at the Director's discretion.
Investment Manager	Schroder Investment Management (Japan) Ltd, 1-11-1 Marunouchi, Chiyoda-ku, Tokyo 100-6224, Japan

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The Schroder ISF Japanese Smaller Companies is not within the scope of the European Union Directive 2003/48/EC (Taxation of Savings Income in the Form of Interest Payments), as implemented in Luxembourg Law.

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Subscriptions for shares of the Company can only be made on the basis of its latest prospectus and simplified prospectus together with the latest audited annual report (and subsequent unaudited semi-annual report, if published), copies of which can be obtained, free of charge, from Schroder Investment Management (Luxembourg) S.A., 5, rue Höhenhof, L-1736 Senningerberg, Luxembourg.

The Company is a Luxembourg-registered UCITS recognised in the UK under Section 264 of the Financial Services and Markets Act 2000. There will be no right to cancel any agreements to purchase shares under section 6.7 of the UK Financial Services Conduct of Business Sourcebook. All or most of the protection provided by the UK regulatory system does not apply to investments in the Company and compensation will not be available under the UK Financial Services Compensation Scheme.

In accordance with the current prospectus, other than for Schroder ISF Global Property Securities, Schroder ISF Asia Pacific Property Securities, Schroder ISF European Defensive and Schroder ISF Middle East, the Company will seek UK distributor status for all distribution A and C shares and I shares of Schroder ISF Taiwanese Equity.

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