

Schroder International Selection Fund

Hong Kong Dollar Bond

A Accumulation Share Class

Investment Objective, Policy and Risk

To provide a return of capital growth and income primarily through investment in a portfolio of bonds and other fixed and floating rate securities denominated in HKD and issued by governments, government agencies, supra-national and corporate issuers worldwide.

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 debt securities are primarily subject to interest rate, credit and default risks 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.

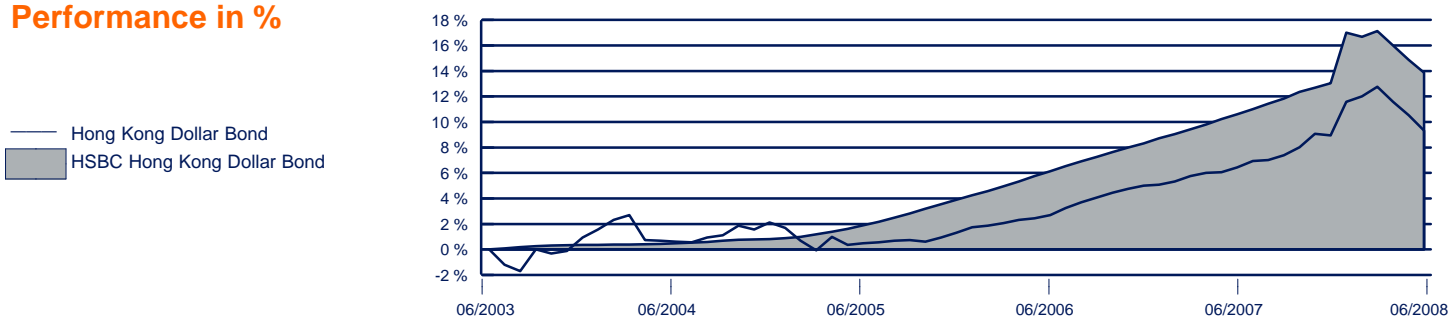
Fund Overview

Hong Kong is a prosperous island with a rapidly-growing economy, which has greatly benefited from its close links with China, the world's fastest-growing major economy. The fund selects securities denominated in Hong Kong dollars with high credit quality and liquidity.

The key to the fund's strategy is in-depth research into the drivers of the Hong Kong dollar bond market. These factors include interest rates, exchange rates, and the impact on prices of the forecast supply of new bonds. The investment team is supported by the considerable resources of Schroders' global fixed income operations and our emphasis is on sustaining a high-quality portfolio of bonds that enhances liquidity and minimises default risk.

Chow Yang Ang

Performance in %



Performance in %	3 months	1 year	3 years	5 years	Beta	Annual Volatility (%)
Hong Kong Dollar Bond	-3.1	2.7	8.8	9.3	0.87	1.96
HSBC Hong Kong Dollar Bond	-2.8	3.0	11.7	13.9	---	2.08

Discrete Yearly Performance in %	Q2/2007 - Q2/2008	Q2/2006 - Q2/2007	Q2/2005 - Q2/2006	Q2/2004 - Q2/2005	Q2/2003 - Q2/2004
Hong Kong Dollar Bond	2.7	3.7	2.2	-0.1	0.6
HSBC Hong Kong Dollar Bond	3.0	4.2	4.2	1.4	0.5

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 - The Schroder ISF Hong Kong Dollar Bond fund was launched in August 2002 to accommodate a transfer of shareholders from the Schroder range of Hong Kong unit trusts to the Schroder ISF SICAV. Prior to August 2002 the fund uses the track record of the Schroder Hong Kong Dollar Bond Unit Trust (launched on 27/07/1995) as a proxy performance track record. In January 2008, the benchmark of the Fund changed from the 3M HIBOR Index to the HSBC HK Dollar Bond Index. The previous benchmark performance has been kept and chain linked to the new benchmark.

Top 5 Holdings in %

Holding	% NAV
1. Hong Kong Government Bond 1.52% 15/02/2010	20.1
2. Hong Kong Government Bond 2.66% 17/12/2012	12.6
3. Hong Kong Government Bond 1.77% 17/05/2010	11.7
4. Hong Kong Monetary Authority 4.25% 17/08/2009	9.8
5. Hong Kong Mortgage Bond 3.6% 10/01/2011	6.8
Total number of holdings =	11



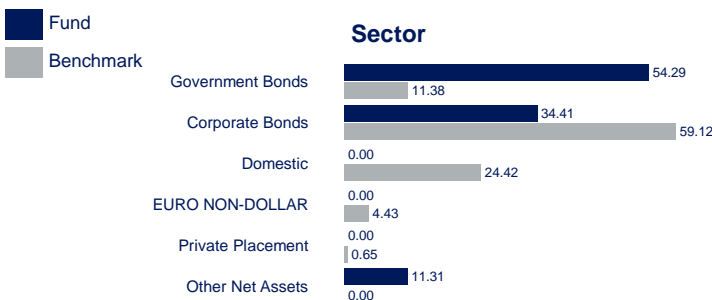
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Asset Allocation in %



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.

11.46% 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	09/08/2002
Total Fund Size (Million)	HKD 295.9
Fund Base Currency	HKD
S&P Fund Management Ratings	-
Morningstar Rating	★★
Modified Duration of Fund in Years	2.13
Modified Duration of Index in Years	---
Reuters	LU0149525270.LUF
Bloomberg	SCHHBAA LX
Initial Fee	5.26 %
Annual Management Fee	0.75 %
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 (Hong Kong) Ltd, Suites 3301, Level 33, Two Pacific Place, 88 Queensway, Hong Kong SAR, Hong Kong

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The Schroder ISF Hong Kong Dollar Bond is 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 Hohenhof, 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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