

# Schroder International Selection Fund

## Asian Convertible Bond

### A Accumulation Share Class

#### Investment Objective, Policy and Risk

To provide a return of capital growth primarily through investment in a portfolio of convertible securities and other similar transferable securities, such as convertible preference securities, exchangeable bonds or exchangeable medium term notes, issued by corporate issuers in Asia excluding Japan. The portfolio may also, to a limited extent, seek exposure to fixed and floating rate securities, equity securities and equity linked notes.

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 convertible bonds are primarily subject to interest rate risk, currency exchange rate risk, credit risk and to the underlying equity 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. Investments in emerging markets are subject to market risk and, potentially, liquidity and currency exchange rate risk.

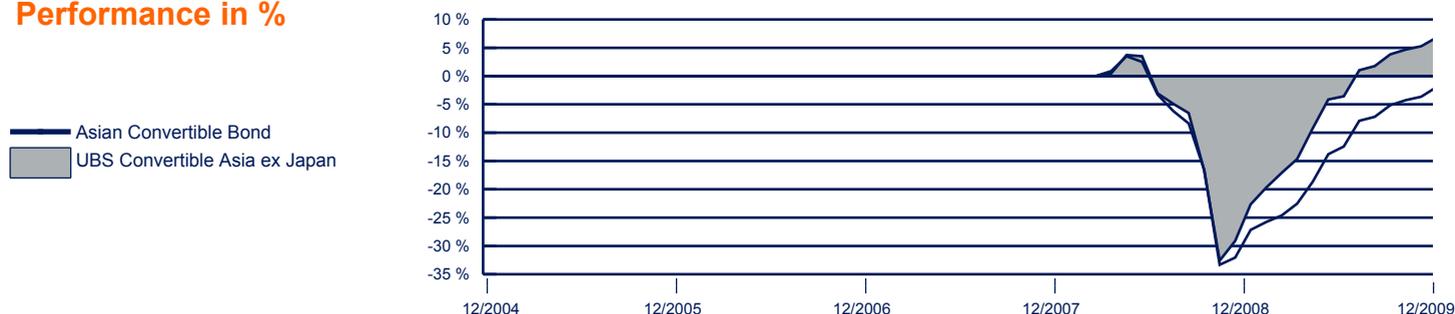
#### Fund Overview

Convertible bonds are simply corporate bonds that an investor can convert into shares at a given price. As such, convertibles can be viewed as a 'best of both worlds' asset, possessing both bond and equity characteristics. Convertibles tend to follow equities in rising markets, but behave defensively, like bonds, when stockmarkets fall. Over the long term, Schroder ISF Asian Convertible Bond offers equity-like participation in the exciting Asian growth story, yet with lower volatility than is normally associated with stockmarket investments. Because these assets tend to benefit from market volatility, we think that they are an ideal investment to weather a stockmarket correction. Furthermore, in comparison to other regions and other asset classes, Asian convertible bonds appear to represent good value.

The fund focuses on high quality convertible bonds across a diversified range of Asian markets including China, Hong Kong, India, Korea, Singapore, Taiwan and Malaysia. We rigorously evaluate economic, regional, equity market and credit factors in order to determine the securities that offer the best risk/reward profiles.

#### Fisch Asset Management

#### Performance in %



Performance in %	3 months	1 year	3 years	5 years	Beta	Annual Volatility (%)
Asian Convertible Bond	3.4	34.6	---	---	---	---
UBS Convertible Asia ex Japan	2.9	38.1	---	---	---	---

Discrete Yearly Performance in %	Q4/2008 - Q4/2009	Q4/2007 - Q4/2008	Q4/2006 - Q4/2007	Q4/2005 - Q4/2006	Q4/2004 - Q4/2005
Asian Convertible Bond	34.6	---	---	---	---
UBS Convertible Asia ex Japan	38.1	---	---	---	---

#### 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.

Some performance differences between the fund and the benchmark may arise because the fund performance is calculated at a different valuation point from the benchmark.

Source: Schroders

#### Top 10 Holdings in %

Holding	% NAV
1. Capitaland 2.875% 09/03/2016	7.5
2. Tata Motors 4% 16/10/2014	5.5
3. Tata Steel 4.5% 21/11/2014	5.4
4. Olam International Cnv Bds 6% 15/10/2016	4.0
5. Sesa Goa 5% 31/10/2014	3.6
6. First Resources 5.625% 22/09/2014	3.0
7. Fair Vantage 1% 03/06/2013	3.0
8. Sterlite Industries India 4% 30/10/2014	2.9
9. Daewoo International 3.25% 07/06/2014	2.9
10. Larsen & Toubro 3.5% 22/10/2014	2.8
<b>Total number of holdings =</b>	<b>41</b>



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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.

Where ratings categories appear with no values, neither the fund nor benchmark holds any instruments with these ratings.

8.08% 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

<b>Fund Launch Date</b>	14/03/2008
<b>Total Fund Size (Million)</b>	USD 164.0
<b>Fund Base Currency</b>	USD
<b>Reuters</b>	LU0351440481.LUF
<b>Bloomberg</b>	SCHACBALX
<b>Initial Fee</b>	5.26 %
<b>Annual Management Fee</b>	1.25 %
<b>Performance Fee</b>	15% of the Fund's outperformance of the UBS Convertible Bond Asia ex Japan (USD) Index, subject to high water mark.
<b>Minimum Investment Amount</b>	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.
<b>Investment Manager</b>	Fisch Asset Management AG , Bellerive 241, P.O.Box, CH-8034 Zurich, Switzerland

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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.

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