

Schroder International Selection Fund

European Bond

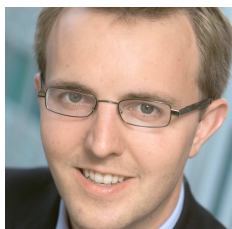
A Accumulation Share Class

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 issued by European governments, government agencies, supra-national and corporate issuers.

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



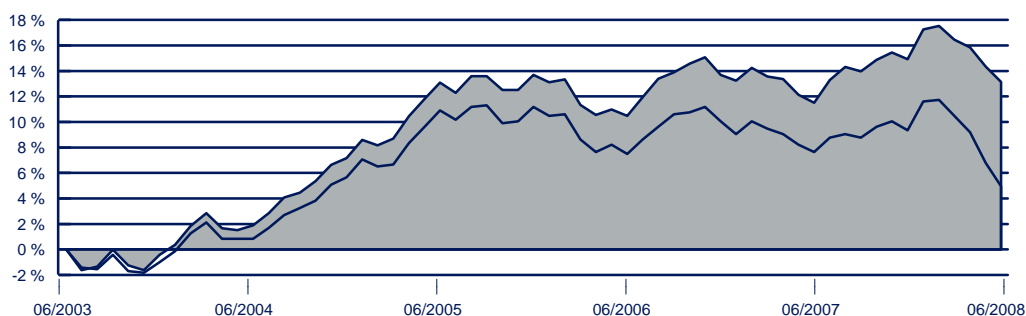
Jamie Stuttard

Schroder ISF European Bond provides investors with access to the eurozone bond market, the world's second-largest fixed income market. The region offers investors a wide range of securities to invest in, and the fund focuses on those bonds issued by governments, government related entities and companies. The fund is also able to take positions in non-euro markets such as the UK, Sweden and Switzerland in order to maximise returns.

Government bonds generally offer a more stable alternative to equity markets, providing a useful diversifier of risk and a relative safe haven in times of weaker risk appetite amongst investors. The European government bond team, led by Jeremy Cave, decides the fund's strategy in terms of duration, yield curve positioning and country allocation. The government bond team is also able to call on the research and views of our specialist economics team, which formulates views on economic growth, inflation and fiscal policy in the US, Europe, UK and the rest of the world. This team provides a valuable input to the fund's investment decisions.

Performance in %

— European Bond
 ■ Citi European WGBI TR



Performance in %

	3 months	1 year	3 years	5 years	Beta	Annual Volatility (%)
European Bond	-5.0	-2.5	-5.4	5.0	0.99	3.67
Citi European WGBI TR	-2.8	1.5	0.0	13.1	---	3.36

Discrete Yearly Performance in %

	Q2/2007 - Q2/2008	Q2/2006 - Q2/2007	Q2/2005 - Q2/2006	Q2/2004 - Q2/2005	Q2/2003 - Q2/2004
European Bond	-2.5	0.1	-3.1	10.0	0.8
Citi European WGBI TR	1.5	0.9	-2.3	11.0	1.9

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

Top 5 Holdings in %

Holding	% NAV
1. Italian Government Bond 3.5% 15/03/2011	8.6
2. France Government Bond 5.5% 25/04/2029	7.5
3. Greek Government Bond 3.9% 20/08/2011	7.3
4. Finland Government Bond 4.25% 15/09/2012	6.5
5. Greek Government Bond 4.3% 20/07/2017	5.9
Total number of holdings =	32



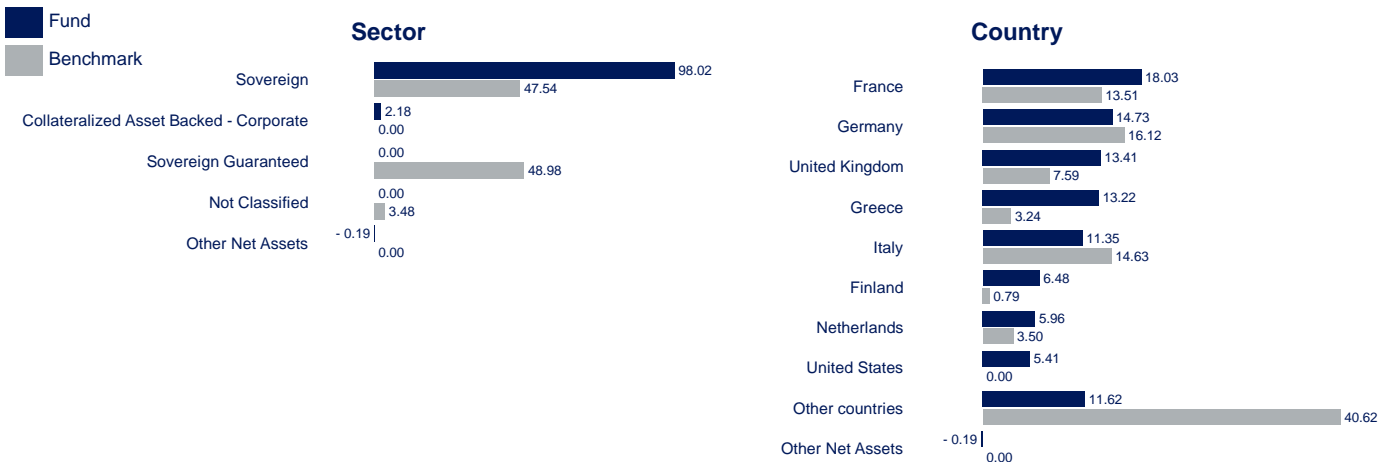
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Asset Allocation in %



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.

0.30% 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	13/09/1994
Total Fund Size (Million)	EUR 83.9
Fund Base Currency	EUR
S&P Fund Management Ratings	-
Morningstar Rating	★★
Modified Duration of Fund in Years	6.29
Modified Duration of Index in Years	6.18
Reuters	LU0106235962.LUF
Bloomberg	SCHIBAA 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 Limited, 31, Gresham Street, London EC2V 7QA, United Kingdom

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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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