

Schroder International Selection Fund

EURO 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 Euro 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



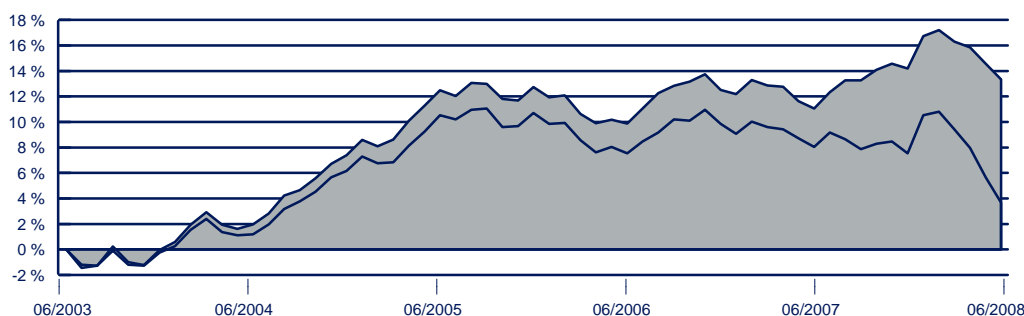
Jamie Stuttard

Schroder ISF EURO Bond provides investors with access to the eurozone's wide range of securities, issued by governments, companies and other organisations. Bonds offer a useful diversifier of risk, with government bonds often providing a safe haven in times of risk aversion, while the central appeal of corporate bonds is that they generally offer higher yields than on government bonds, offering the potential for higher returns over the longer term.

The European government bond team, led by Jeremy Cave, decides the fund's strategy in terms of duration, yield curve positioning and sector allocation. When the team identifies appropriate opportunities, the fund can also take positions in non-euro markets such as the UK, Scandinavia and Eastern Europe. The corporate bond element of the fund is managed by the European credit team, who emphasise a bottom-up approach to investment, focusing on fundamental research, to make informed security and sector selection decisions to add value and enhance performance.

Performance in %

— EURO Bond
 ■ Lehman EURO Aggregate



Performance in %

	3 months	1 year	3 years	5 years	Beta	Annual Volatility (%)
EURO Bond	-5.2	-4.0	-6.2	3.7	1.01	3.40
Lehman EURO Aggregate	-2.5	2.1	0.8	13.3	---	2.97

Discrete Yearly Performance in %

	Q2/2007 - Q2/2008	Q2/2006 - Q2/2007	Q2/2005 - Q2/2006	Q2/2004 - Q2/2005	Q2/2003 - Q2/2004
EURO Bond	-4.0	0.5	-2.7	9.2	1.2
Lehman EURO Aggregate	2.1	0.9	-2.3	10.3	2.0

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 January 2007 the Lehman EURO Aggregate Index replaced the Citi EUROBIG (TR). The full track record of the previous index has been kept and chain linked to the new one.

Top 5 Holdings in %

Holding	% NAV
1. United States Treasury Inflation Indexed Bonds 0.625% 15/04/2013	11.4
2. Italian Government Bond 4% 01/03/2010	8.5
3. Italian Government Bond 3.5% 15/03/2011	7.5
4. France Government Bond 4% 25/10/2013	6.9
5. Greek Government Bond 3.9% 20/08/2011	6.6
Total number of holdings =	47



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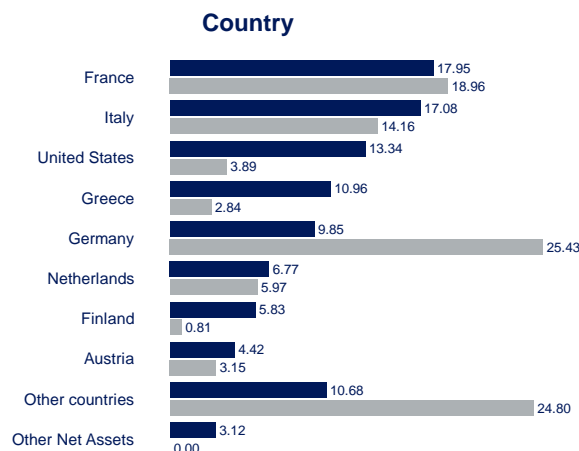
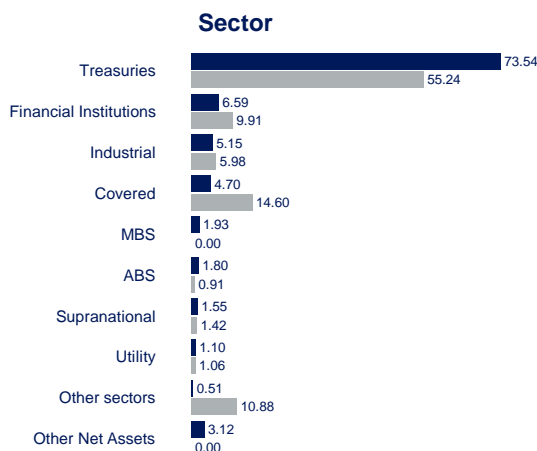
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Asset Allocation in %

Fund

Benchmark



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.

2.32% 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	18/12/1998
Total Fund Size (Million)	EUR 260.1
Fund Base Currency	EUR
S&P Fund Management Ratings	A
Morningstar Rating	★
Modified Duration of Fund in Years	5.39
Modified Duration of Index in Years	5.30
Reuters	LU0106235533.LUF
Bloomberg	SCHEBDA 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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The Schroder ISF EURO 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 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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