

Schroder International Selection Fund

US 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 fixed and floating rate securities denominated in USD 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



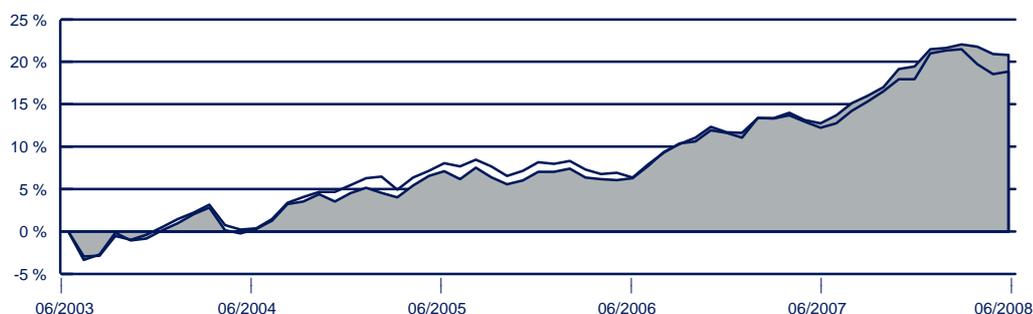
Steven Lear

Schroder ISF US Dollar Bond provides investors with access to the world's largest fixed income market. The fund is able to invest in the full spectrum of US investment-grade fixed income sectors and can also branch out on an opportunistic basis into non-investment grade and non-US dollar denominated securities. Our investment approach is designed to maximize total return over time while applying the disciplined risk control essential to generate consistent, successful performance.

The portfolio's management team, based in New York, is supported by 25 analysts. The team develops investment themes based on in-depth proprietary market research (fundamental, quantitative and technical). These themes determine the portfolio's positioning in three primary areas: duration, yield curve exposure and sector allocation. The team implements appropriate strategies within each area, making use of specialist portfolio managers who select securities within their market sectors. The team continually monitors the portfolio within a rigorous risk control framework.

Performance in %

— US Dollar Bond
 ■ Lehman Brothers US Aggregate Bond Index



Performance in %	3 months	1 year	3 years	5 years	Beta	Annual Volatility (%)
US Dollar Bond	-2.2	5.9	10.0	18.9	0.82	3.40
Lehman Brothers US Aggregate Bond Index	-1.0	7.1	12.8	20.8	---	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
US Dollar Bond	5.9	5.5	-1.6	7.7	0.4
Lehman Brothers US Aggregate Bond Index	7.1	6.1	-0.8	6.8	0.3

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 June 2000, the index changed from Salomon Smith Barney US Component to the Lehman US Aggregate Bond Index. The full track record of the previous benchmark has been kept and chain linked to the new one.

Top 5 Holdings in %

Holding	% NAV
1. United States Treasury Note 2.625% 31/05/2010	12.8
2. Freddie Mac Gold Pool 5.5% 15/07/2038	12.6
3. United States Treasury Note 3.875% 15/05/2018	8.0
4. Ginnie Mae 5.5% 15/10/2034	6.2
5. United States Treasury Notes 4.5% 30/11/2011	5.6
Total number of holdings =	68



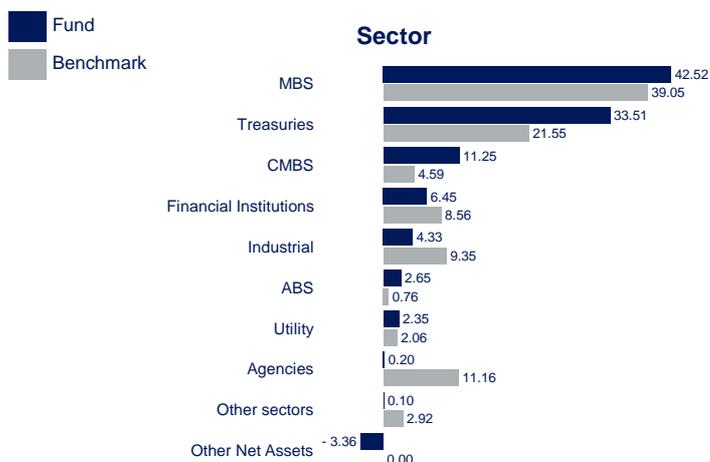
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Asset Allocation in %



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.

9.44% 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	15/12/1997
Total Fund Size (Million)	USD 385.1
Fund Base Currency	USD
S&P Fund Management Ratings	AA
Morningstar Rating	★★★★
Modified Duration of Fund in Years	4.66
Modified Duration of Index in Years	4.68
Reuters	LU0106260564.LUF
Bloomberg	SCHUBAA 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 North America Inc., 875 Third Avenue, 22nd Floor, New York, New York 10022- 6225, United States

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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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