

# Schroder International Selection Fund

## EURO Short Term 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 short-term bonds and other fixed and floating rate securities denominated in Euro and issued by governments, government agencies, supra-national and corporate issuers worldwide. The average maturity of the securities held in the portfolio must not exceed three years, whereas the residual maturity of any such security must not exceed five years.

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



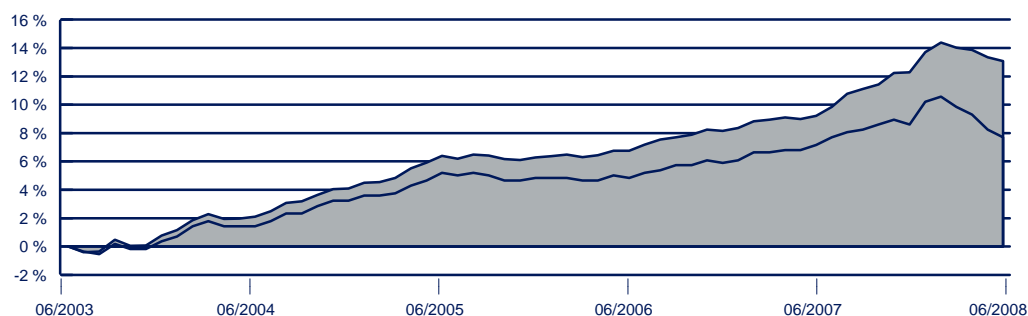
Jamie Stuttard

Schroder ISF EURO Short Term Bond provides investors with access to short-maturity fixed income securities issued in the world's second-largest fixed income market by governments, government related entities and companies. The fund focuses on securities which have less than five years before they are repaid. Short-maturity bonds tend to appeal because of their historical 'risk profile': while they are relatively more risky than money market instruments (which are generally repaid in a year or less), they typically offer the potential for higher returns. Compared to longer-dated bonds, while they do not typically offer such a high yield, they tend to be less risky.

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 %

— EURO Short Term Bond  
 ■ Citi EMU Gov Bond 1-3y EUR TR



Performance in %	3 months	1 year	3 years	5 years	Beta	Annual Volatility (%)
EURO Short Term Bond	-2.0	0.5	2.4	7.7	1.07	1.45
Citi EMU Gov Bond 1-3y EUR TR	-0.8	3.5	6.3	13.1	---	1.14

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 Short Term Bond	0.5	2.2	-0.3	3.7	1.4
Citi EMU Gov Bond 1-3y EUR TR	3.5	2.3	0.3	4.2	2.1

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.

Source: Schroders

On 16 July 1999, the benchmark changed from Eurodeposits -60bp to Citi EMU Gov Bond 1-3 yrs Index (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	8.9
2. France Government Bond 5.5% 25/10/2010	7.5
3. Netherlands Government Bond 3.75% 15/07/2009	7.0
4. German Government Bond 3.5% 09/10/2009	6.9
5. Netherlands Government Bond 4% 15/01/2011	6.8
<b>Total number of holdings =</b>	<b>25</b>



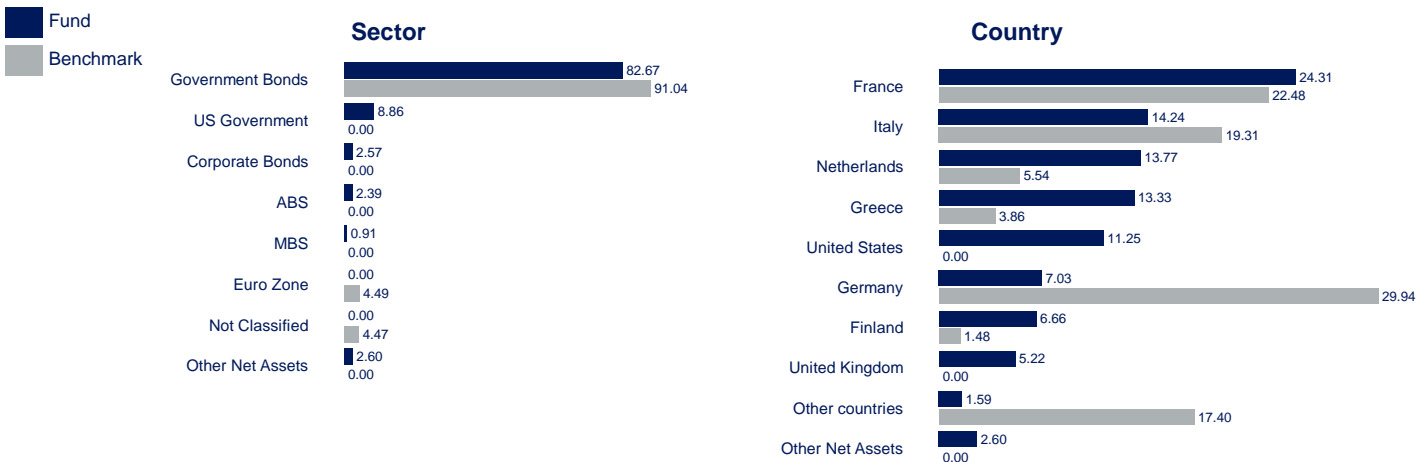
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#### Asset Allocation in %



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.

0.40% 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.

<b>Fund Launch Date</b>	17/03/1998
<b>Total Fund Size (Million)</b>	EUR 588.7
<b>Fund Base Currency</b>	EUR
<b>S&amp;P Fund Management Ratings</b>	A
<b>Morningstar Rating</b>	★★★
<b>Modified Duration of Fund in Years</b>	1.72
<b>Modified Duration of Index in Years</b>	1.69
<b>Reuters</b>	LU0106234643.LUF
<b>Bloomberg</b>	SCHE\$AA LX
<b>Initial Fee</b>	5.26 %
<b>Annual Management Fee</b>	0.50 %
<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.

#### Investment Manager

Schroder Investment Management Limited, 31, Gresham Street, London EC2V 7QA, United Kingdom

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The Schroder ISF EURO Short Term 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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Schroders has expressed its own views and opinions in this document and these may change.



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