

This Product Highlights Sheet is an important document.

- It highlights the key terms and risks of this investment product and complements the Singapore Prospectus (the “Prospectus”)<sup>1</sup>.
- It is important to read the Prospectus before deciding whether to purchase units in the product. If you do not have a copy, please contact us to ask for one.
- You should not invest in the product if you do not understand it or are not comfortable with the accompanying risks.
- If you wish to purchase the product, you will need to make an application in the manner set out in the Prospectus.

## Schroder International Selection Fund EURO Short Term Bond (the “Fund”)

Product Type	Collective Investment Scheme	Inception Date	<b>EUR</b> Class A Acc: 17/01/2000 @Class A Dis: 17/03/1998 Class A1 Acc: 24/10/2001
Management Company	Schroder Investment Management (Luxembourg) S.A.	Custodian	J.P. Morgan Bank Luxembourg S.A.
Investment Manager	Schroder Investment Management Limited	Dealing Frequency	Every Dealing Day
Investment Adviser	Schroder Investment Management North America Inc.		
Capital Guaranteed	No	Expense Ratio for the year ended 31 December 2011	<b>EUR</b> Class A Acc: 0.64% Class A Dis: 0.64% Class A1 Acc: 1.14%
Name of Guarantor	Not Applicable		

### PRODUCT SUITABILITY

#### WHO IS THE PRODUCT SUITABLE FOR?

The Fund is only suitable for investors who:

- seek capital growth and income; and
- understand the risks of investing in Euro denominated short term bonds issued by governments, government agencies and companies.

#### Further Information

Refer to Para 4 on page 29-93 of the Prospectus for further information on product suitability.

### KEY PRODUCT FEATURES

#### WHAT ARE YOU INVESTING IN?

You are investing in a sub-fund of Schroder International Selection Fund (the “Company”). The Company is an umbrella structured open-ended investment company with limited liability in Luxembourg, organised as a “société anonyme” and qualifies as a Société d’Investissement à Capital Variable (“SICAV”) under Part I of the law on undertakings for collective investment dated 17 December 2010.

The Fund aims 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 Fund also has the flexibility to implement long and short active currency positions either via currency forwards or via the above instruments.

If you are a holder of Distribution Shares, you may receive dividends in the form of cash in the relevant Class currency. As at the date of registration of the Prospectus, dividends for Distribution Classes will be declared as annual dividends. Dividends may be paid more or less frequently as deemed appropriate from time to time by the board of directors of the Company. For any updates to the distribution frequency, please refer to the dividend calendar which can be obtained from <http://www.schroders.com/singapore/offshore-funds/schroder-isf/literature>.

Accumulation Shares accumulate net income received from the Fund’s investments, meaning it is kept in the Fund and its value is reflected in the price of the Shares in the Classes.

Refer to the “Important Information” section and Para 1, 2.2 and 4 on page 7, 20-21 and 29-93 of the Prospectus for further information on features of the product.

<sup>1</sup> The Prospectus is available for collection from Schroder Investment Management (Singapore) Ltd or any of its approved distributors during usual office hours.

## Investment Strategy

At least two-thirds of the Fund (excluding cash) will be invested in short term bonds in the euro currency issued by governments, government agencies and companies worldwide.

*Refer to Para 4 on page 29-93 of the Prospectus for further information on the investment strategy of the Fund.*

The bonds held in the Fund will have an average maturity that will not exceed 3 years and the residual maturity of any such bond will not exceed 5 years. This means that the average remaining life of the bonds held in the Fund will be less than 3 years and the remaining life of every such bond will be less than 5 years.

The Fund focuses on bonds which have less than five years to run before they are repaid. These bonds normally offer the potential for higher returns than money market instruments, and tend to be less risky than longer-dated bonds.

The Fund may also invest in other financial instruments and hold cash on deposit. **Financial derivative instruments may be used to achieve the investment objective and to reduce risk or manage the Fund more efficiently.**

The Fund may use leverage and take short positions.

## Parties Involved

### WHO ARE YOU INVESTING WITH?

- The Fund is a sub-fund of Schroder International Selection Fund.
- The Management Company is Schroder Investment Management (Luxembourg) S.A..
- The Investment Manager is Schroder Investment Management Limited.
- The Investment Adviser is Schroder Investment Management North America Inc..
- The Custodian is J.P. Morgan Bank Luxembourg S.A..
- The Singapore Representative is Schroder Investment Management (Singapore) Ltd.

*Refer to Para 1 and 3 on page 7 and 22-28 of the Prospectus for further information on the role and responsibilities of these entities.*

## KEY RISKS

### WHAT ARE THE KEY RISKS OF THIS INVESTMENT?

**The value of the Fund and its distributions (if any) may rise or fall. These risk factors may cause you to lose some or all of your investment.**

*Refer to Para 7 on page 102-104 of the Prospectus for further information on risks of the product.*

## Market and Credit Risks

### You are exposed to market risk in Europe.

- The value of investments by the Fund may go up or down due to changing economic, political or market conditions, or due to an issuer's individual situation.

*Refer to Para 7.1 on page 102 of the Prospectus for further information.*

## Liquidity Risks

### You are exposed to liquidity risk.

- There is no secondary market for the Fund. All redemption requests should be made to the distributor of the Fund through whom you originally purchased the Shares. The liquidity of the Fund may be limited if a significant portion of the assets of the Fund is to be sold to meet redemption requests on a short time frame. During this period, the portfolio allocation may be modified to prioritise liquidity.

*Refer to the "Important Information" section and Para 7.1 and 10.1 on page 102 and 110 of the Prospectus for further information.*

## Product-Specific Risks

### You are exposed to foreign exchange risk.

- The currency derivative instruments employed are subject to the risk of default by the counterparty. The unrealised gain on the transaction as well as some of the desired market exposure may therefore be lost.

*Refer to Para 7.1 on page 102 of the Prospectus for further information.*

### You are exposed to counterparty risk

- If a counterparty to a financial derivative contract were to default, the unrealised profit on the contract and its market exposure may be lost

### You are exposed to derivatives risk

- The Fund may use financial derivative instruments as part of the investment process. The use of futures, options, warrants, forwards, swaps or swap options involves increased risk. The Fund's ability to use such instruments successfully depends on the Investment Manager's ability to accurately predict movements in stock prices, interest rates, currency exchange rates or other economic factors and the availability of liquid markets. If the Investment Manager's predictions are

wrong, or if the financial derivative instruments do not work as anticipated, the Fund could suffer greater losses than if the Fund had not used such instruments.

**You are exposed to distribution policy risk (only applicable to Distribution Class).**

- In respect of a Distribution Class with fixed dividends, fixed dividends may be paid out of capital if investment income is less than the fixed dividend amount.
- In respect of a Distribution Class with variable dividends, the dividends are paid out of capital rather than out of investment income. Capital growth will be reduced and in periods of low growth, capital erosion may occur.
- Where dividends are paid out of capital of a Distribution Class, this will reduce the net asset value of the Distribution Class.

**You are exposed to operational risk.**

- The Fund’s operations depend on third parties and it may suffer disruption or loss in the event of their failure.

**FEES AND CHARGES**

**WHAT ARE THE FEES AND CHARGES OF THIS INVESTMENT?**

**Payable directly by you**

You will need to pay the following fees and charges as a percentage of your gross investment sum:

*Refer to Para 6 on page 94-101 of the Prospectus for further information on the fees and charges.*

Initial Charge	<p><b>Class A</b></p> <ul style="list-style-type: none"> <li>• Prior to 2 April 2013: Up to 5.00%</li> <li>With effect from 2 April 2013: Up to 3.00%</li> </ul> <p><b>Class A1</b></p> <ul style="list-style-type: none"> <li>• Prior to 2 April 2013: Up to 4.00%</li> <li>With effect from 2 April 2013: Up to 2.00%</li> </ul>
Switching Charge	<ul style="list-style-type: none"> <li>• Up to 1%</li> </ul>
Redemption Charge	<ul style="list-style-type: none"> <li>• None</li> </ul>

**Payable by the Fund from invested proceeds**

The Fund will pay the following fees and charges to the Management Company and other parties:

Annual Management Fee	<p><b>Class A</b></p> <ul style="list-style-type: none"> <li>• 0.5% per annum</li> </ul> <p><b>Class A1</b></p> <ul style="list-style-type: none"> <li>• 0.5% per annum</li> </ul>
Performance Fee	<ul style="list-style-type: none"> <li>• Not Applicable</li> </ul>
Custody Fee	<ul style="list-style-type: none"> <li>• Up to a maximum of 0.5% per annum and US\$150 per transaction</li> </ul>
Administration Fee	<ul style="list-style-type: none"> <li>• Up to 0.4% per annum</li> </ul>
Accounting and valuation fee	<ul style="list-style-type: none"> <li>• 0.02% per annum subject to an annual minimum fee of US\$20,000</li> </ul>
Distribution Charge	<p><b>Class A</b></p> <ul style="list-style-type: none"> <li>• None</li> </ul> <p><b>Class A1</b></p> <ul style="list-style-type: none"> <li>• 0.5% per annum</li> </ul>

**VALUATIONS AND EXITING FROM THIS INVESTMENT**

**HOW OFTEN ARE VALUATIONS AVAILABLE?**

The net asset value of the Shares of the Fund is published at the Singapore Representative’s website at <http://www.schroders.com.sg> normally within 2 Singapore Business Days after each Dealing Day and is also available directly from the Singapore Representative.

*Refer to Para 10, 12 and 13 on page 110-112 of the Prospectus for further information on valuation and exiting from the product.*

**HOW CAN YOU EXIT FROM THIS INVESTMENT AND WHAT ARE THE RISKS AND COSTS IN DOING SO?**

You may redeem Shares by completing a share redemption form (“Redemption Request”) and submitting it to the relevant distributor through whom you originally purchased the Shares.

The directors of the Company reserve the right not to accept instructions to redeem (or switch) of more than 10% of the total value of the Shares in issue of the Fund on a Dealing Day. In these circumstances, the redemption of part or all Shares in excess of 10% will be deferred until the next Dealing Day.

The redemption proceeds are usually paid to you within 6 Business Days following the receipt of the Redemption Request by the Management Company or its administrative agent provided that the directors of the Company reserve the right to extend the period of payment of the redemption proceeds to such period, not exceeding 30 Business Days.

Your exit price is determined as follows:

- If you submit the Redemption Request by 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Management Company or its administrative agent by 1 pm Luxembourg time of the relevant Dealing Day, you will be paid a price based on the net asset value per Share on that Dealing Day.
- If you submit the Redemption Request after 5 pm Singapore time on a Singapore Business Day and such Redemption Request is accepted by the Management Company or its administrative agent by 1 pm Luxembourg time of the next relevant Dealing Day, you will be paid a price based on the net asset value per Share on the next relevant Dealing Day.

The redemption proceeds that you will receive will be the exit price multiplied by the number of Shares redeemed. An example is as follows:

$$\begin{array}{rclcl} 1000 \text{ Units} & \times & \text{S\$}11.00 & = & \text{S\$}11,000.00 \\ \text{(Number of Shares)} & & \text{(Net Asset Value per Share)} & & \text{(Redemption Proceeds)} \end{array}$$

No cancellation period is available, and you cannot cancel your subscription for Shares of any Class of the Fund.

## CONTACT INFORMATION

### HOW CAN YOU CONTACT US?

For enquiries, please contact

**Schroder Investment Management  
(Singapore) Ltd**

65 Chulia Street #46-00, OCBC Centre

Singapore 049513

Tel: 6534 4288

Website: [www.schroders.com.sg](http://www.schroders.com.sg)

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Distributor

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The Singapore Representative

## APPENDIX: GLOSSARY OF TERMS

# denotes a Distribution Class with fixed dividends.

@ denotes a Distribution Class with variable dividends.

**Accumulation Shares:** Shares which accumulate their net income so that the income is included in the price of the Shares.

**Business Day:** unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Business Day is a week day other than New Year's Day, Good Friday, Easter Monday, Christmas Eve, Christmas Day and the day following Christmas Day.

**Class:** a class of Shares with a specific fee structure.

**Dealing Day:** unless otherwise provided in the Fund's details in Appendix III of the Luxembourg Prospectus, a Dealing Day is a Business Day which does not fall within a period of suspension of calculation of the net asset value per Share of the Fund. The Management Company may also take into account whether relevant local stock exchanges and/or regulated markets are open for trading and settlement, and may elect to treat such closures as non-Dealing Days for sub-funds of the Company which invest a substantial amount of their portfolio on these closed stock exchanges and/or regulated markets. A list of non-Dealing Days for the Fund is available from the Singapore Representative on request and is also available on the internet site [www.schroders.lu](http://www.schroders.lu).

**Distribution Shares:** Shares which distribute their income.

**Luxembourg Prospectus:** the Luxembourg Prospectus of the Company (together with any addendum to such Luxembourg Prospectus) attached to the Prospectus.

**Shares:** shares in the Fund.

**Singapore Business Day:** means a day (other than a Saturday or a Sunday or a gazetted public holiday) on which commercial banks in Singapore are open for normal banking business.