

Issuer: Schroder Investment Management (Luxembourg) S.A.

October 2013

***This statement provides you with key information about this product.
This statement is a part of the offering document and should be read in conjunction
with the offering document.
You should not invest in this product based on this statement alone.***

Quick facts

Management company:	Schroder Investment Management (Luxembourg) S.A.
Investment manager:	Schroder Investment Management North America Inc., located in the United States of America, internal delegation
Custodian:	J.P. Morgan Bank Luxembourg S.A.
Dealing frequency:	Daily
Base currency:	USD
Dividend policy:	A, A1 and D Accumulation share class – Dividend will not be distributed but will be reinvested into the fund. A, A1 and D Distribution share class – The board of directors has discretion as to whether or not to make any distribution. Distributions may be paid out of capital and reduce the fund's net asset value. The board of directors of Schroder International Selection Fund will periodically review the distribution share classes and reserve the right to change the rate and/or frequency of distributions of distribution share classes, subject to one month's prior notification to the relevant shareholders. If the board of directors does not intend to retain the flexibility to pay dividends or expenses out of capital, the change will be subject to the SFC's prior approval and one month's prior notification to the relevant shareholders.
Financial year end of this fund:	31 December
Minimum investment:	A, A1 and D share class: Initial – EUR1,000 or USD1,000; Subsequent investment – EUR1,000 or USD1,000

What is this product?

This is a sub-fund of Schroder International Selection Fund, a mutual fund domiciled in Luxembourg and its home regulator is Commission de Surveillance du Secteur Financier.

Objectives and investment strategy

To provide liquidity and current income, to the extent consistent with the preservation of capital, through investment in high quality short-term debt securities that are denominated in USD, provided that (i) at the time of acquisition, the average initial or residual maturity of all such securities held in the portfolio does not exceed 12 months, taking into account any financial instruments connected therewith, or (ii) the terms and conditions governing those securities provide that the applicable interest rate is adjusted at least annually on the basis of market conditions.

Use of financial derivative instruments ("FDI")

The fund may use FDI for hedging purposes only.

What are the key risks?

Investment involves risk. Please refer to the offering document for details including the risk factors.

1. Debt securities

The fund's investment in debt securities may be subject to interest rate risk and credit risk. The fund may invest in securities which will not be rated by a nationally recognized statistical rating organization or lower rated securities. These instruments are subject to greater market and credit risks than higher rated securities.

2. Interest rates risk

Changes in market interest rates will affect the value of debt securities held by the fund. Generally, the market value decreases when interest rates rise and increases when interest rates fall. Any fluctuations in interest rates may adversely affect the net asset value per share of the fund and investors may as a result suffer losses.

3. Credit risk

Investment in bonds or other debt securities is subject to the credit risk of the issuer. In the event that any issuer of bonds or other debt securities in which the fund invests defaults, becomes insolvent or experiences financial or economic difficulties, this may affect the value of the relevant securities (which may be zero) and may in turn adversely affect the net asset value per share of the fund and investors may suffer losses.

4. Liquidity and defensive funds

The fund is not a money market fund and is not the same as placing funds on deposit with bank or deposit-taking company. Investors should be aware that this fund does not guarantee principal.

5. FDI

There is no guarantee that the performance of FDI will result in a positive effect for the fund. FDI exposure may lead to a high risk of significant capital loss. Risks associated with FDI include credit risk and counterparty risk, liquidity risk, valuation risk, volatility risk, over-the-counter transaction risks and hedging risk. There is no guarantee that the desired hedging instruments will be available or hedging techniques will achieve their desired result. In adverse situations, the use of hedging instruments may become ineffective in hedging and the fund may suffer significant losses.

6. Risks relating to distributions

- For distribution share classes with a general dividend policy, expenses will be paid out of capital rather than out of gross income. The amount of distributable income therefore increases and the amount so increased may be considered to be dividend paid out of capital; capital growth will be reduced and in periods of low growth capital erosion may occur.
- Distributions from capital may include a premium or discount which is determined by differences in the interest rates of the reference currency of the hedged share class and the fund currency. It is possible that there may be an increase in the amount of the distribution that is paid out of capital and hence a greater erosion of capital than other share classes. The distribution and net asset value of the share class may be positively or adversely affected by the differences in the interest rates of the reference currency of the hedged share class and the fund currency. The distribution and net asset value of the hedged share class may, therefore fluctuate more than, and may significantly differ from, other share classes.
- Distribution share classes with a fixed dividend policy will distribute the dividends based on a fixed amount or fixed percentage of the net asset value per share. This may result in share classes with fixed distributions either paying out both income and capital in distribution payments, or not substantially distributing all the investment income which a share class has earned.
- **You should note that in the circumstances where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount you originally invested or capital gains attributable to that and may result in an immediate decrease in the net asset value of shares.**

Is there any guarantee?

This fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?**Charges which may be payable by you**

You may have to pay the following fees when dealing in the shares of the fund.

Fee	What you pay		
Share class	A	A1	D
Subscription fee (Initial charge)	Nil	Nil	Nil
Switching fee (Switching charge)	Up to 1.00% of the value of the shares to be switched		
Redemption fee (Redemption charge)	Nil		

Ongoing fees payable by the fund

The following expenses will be paid out of the fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the fund's value)		
Share class	A	A1	D
Management fee	0.20%	0.20%	0.20%
Custodian fee	Up to 0.005%		
Performance fee	Nil		
Administration fee	Up to 0.4%		
Distribution charge	Nil	Nil	1.00%
Custody safekeeping fee	Up to 0.5%		
Transaction fees (charged by the custodian)	Up to USD150 per transaction		
Fund accounting and valuation fees	Up to 0.02%, subject to an annual minimum fee of USD20,000		

Other fees

You may have to pay other fees when dealing in the shares of the fund. Please refer to “Other Charges and Expenses” of the offering document for fees payable by the fund.

Additional information

- You generally buy and redeem shares at the fund's relevant net asset value ("NAV") after Schroder Investment Management (Hong Kong) Limited receives your request, directly or via a distributor, in good order at or before 5pm HK time, being the fund's dealing cut-off time on each dealing day of the fund. Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal dealing cut-off time (which may be earlier than the fund's dealing cut-off time).
- A dividend calendar including details on the distribution frequency and the dividend calculation basis for all available Distribution share classes and a composition of the dividend payments (i.e. the percentages of distribution being paid out of capital and net distributable income) for the last twelve months for each of these Distribution share classes (i) with a variable distribution policy or (ii) with a fixed dividend policy and paying dividends out of capital are also available from the Schroder Investment Management (Hong Kong) Limited on request and from the Schroders' Internet site (www.schroders.com.hk).
- The net asset value of this fund is calculated and the price of shares is published on each business day in the South China Morning Post and the Hong Kong Economic Times. They are also available online at www.schroders.com.hk.

Important

If you are in doubt, you should seek professional advice. The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.