

# Schroder International Selection Fund

## Global Inflation Linked Bond

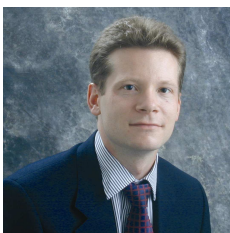
### A Accumulation Share Class

#### Investment Objective, Policy and Risk

To provide a combination of capital growth and income primarily through investment in a portfolio of inflation-linked debt securities 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



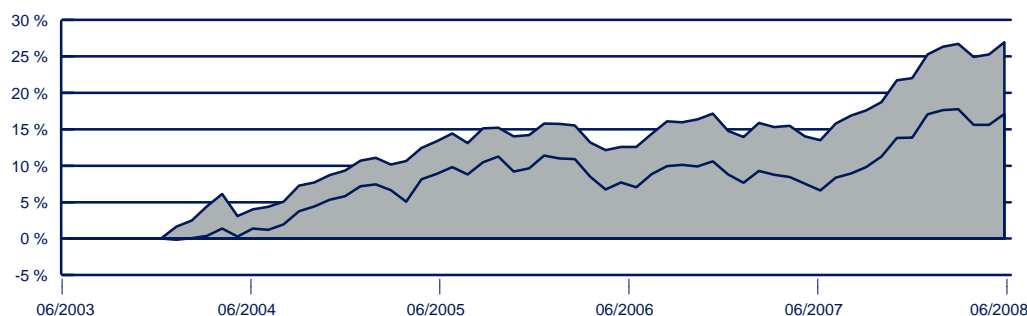
Nicholas Gartside

Rising oil and gas prices, rising metal prices, the increasing cost of property - these inflationary trends have heavily impacted the global economy in the last few years and led many of the world's central banks to raise their interest rates. Inflation can quickly eat into the returns offered by typical bond investments. However, inflation-linked bonds can provide protection against the effects of rising prices as generally both the value of the original amount borrowed and the interest payments move in line with consumer prices.

We believe a global approach to investing in inflation-linked bonds is the best strategy, as investors gain access to the widest possible number of opportunities, in contrast to the often restricted opportunities in single domestic markets. The fund's manager has the support of the Schroders' extensive global fixed income team to select the best securities for the fund.

#### Performance in %

— Global Inflation Linked Bond  
 ■ Merrill Lynch Global Governments Inflation-Linked EUR Hedged



#### Performance in %

	3 months	1 year	3 years	5 years	Beta	Annual Volatility (%)
<b>Global Inflation Linked Bond</b>	-0.6	9.8	6.6	---	0.90	4.40
Merrill Lynch Global Governments Inflation-Linked EUR Hedged	0.2	11.8	10.9	---	---	4.36

#### Discrete Yearly Performance in %

	Q2/2007 - Q2/2008	Q2/2006 - Q2/2007	Q2/2005 - Q2/2006	Q2/2004 - Q2/2005	Q2/2003 - Q2/2004
<b>Global Inflation Linked Bond</b>	9.8	-0.4	-2.5	8.5	---
Merrill Lynch Global Governments Inflation-Linked EUR Hedged	11.8	0.4	-1.6	9.6	---

**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 Merrill Lynch Global Governments Inflation-Linked Index replaced the Barclays Cap Global Inflation Linked Index. 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. Germany 2.25% 13/04/2015	11.4
2. US Government Bond 3.875% 15/04/2029	8.7
3. US Treasury Inflation Indexed Bonds 2.375% 15/01/2017	6.8
4. US Government Bond 1.875% 15/07/2013	6.0
5. France Government Bond OAT 3.15% 25/07/2032	6.0
<b>Total number of holdings =</b>	<b>29</b>



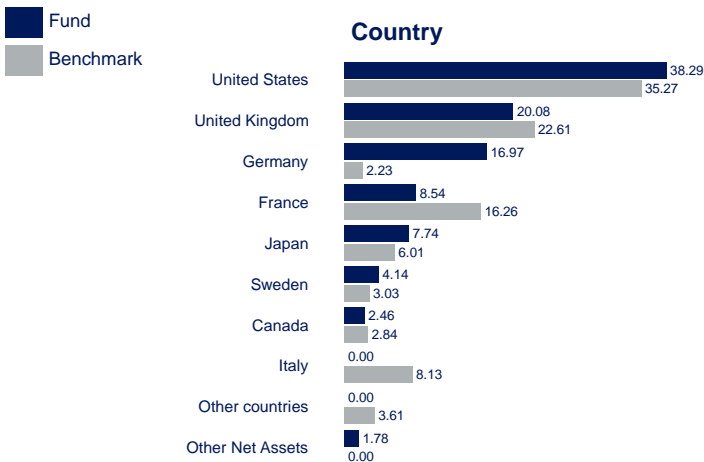
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### A Accumulation Share Class

#### Asset Allocation in %



Index Data Source: Bloomberg

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.

-0.87% 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>	28/11/2003
<b>Total Fund Size (Million)</b>	EUR 306.9
<b>Fund Base Currency</b>	EUR
<b>S&amp;P Fund Management Ratings</b>	-
<b>Morningstar Rating</b>	★★★★
<b>Modified Duration of Fund in Years</b>	9.37
<b>Modified Duration of Index in Years</b>	9.18
<b>Reuters</b>	LU0180781048.LUF
<b>Bloomberg</b>	SCHGRRA LX
<b>Initial Fee</b>	5.26 %
<b>Annual Management Fee</b>	0.75 %
<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 Global Inflation Linked 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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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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