

# Schroder International Selection Fund

## Strategic Bond

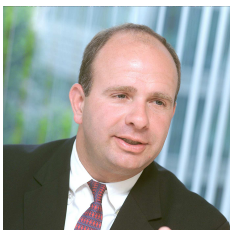
### A Accumulation EUR Hedged Share Class

#### Investment Objective, Policy and Risk

To provide a total return primarily through investment in a portfolio of bonds and other fixed and floating rate securities denominated in various currencies issued by governments, government agencies, supra-national and corporate issuers worldwide. The full spectrum of available securities, including non-investment grade, may be utilised.

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



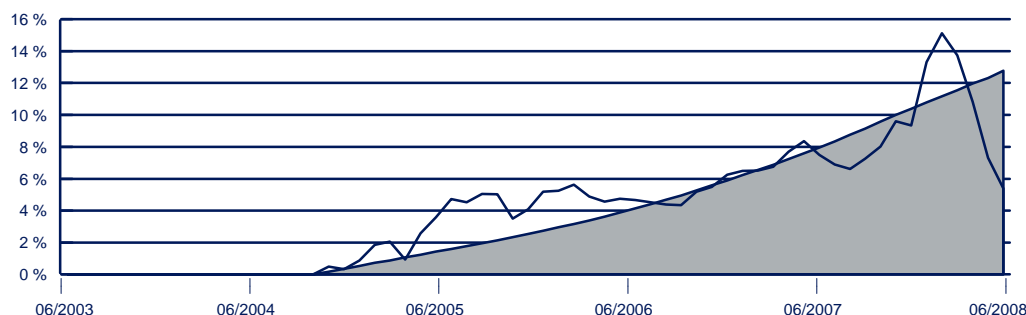
Bob Michele

Schroder ISF Strategic Bond is the most flexible bond fund in our fixed income range. The fund provides access to a diverse range of regions and sectors, which we believe offer many more opportunities to enhance returns. It is able to focus solely on the top investment ideas generated by the global fixed income team.

We have a 'bottom up' approach to stock selection, with research forming the bedrock of our investment process, and we work to identify those areas that offer the best long-term prospects. Not only do we have the freedom to avoid parts of the market that we believe aren't appropriate for the fund at any given time, we can institute trades so the fund can profit when we believe a price in a certain security is going to fall. This breadth of variety gives us the freedom to respond quickly to changing market conditions anywhere in the world.

#### Performance in %

— Strategic Bond  
 ■ EUR LIBOR 3 Months



Performance in %	3 months	1 year	3 years	5 years	Beta	Annual Volatility (%)
Strategic Bond	-7.3	-2.0	0.6	---	6.69	3.73
EUR LIBOR 3 Months	1.2	4.6	11.1	---	---	0.13

Discrete Yearly Performance in %	Q2/2007 - Q2/2008	Q2/2006 - Q2/2007	Q2/2005 - Q2/2006	Q2/2004 - Q2/2005	Q2/2003 - Q2/2004
Strategic Bond	-2.0	2.7	-0.0	---	---
EUR LIBOR 3 Months	4.6	3.7	2.5	---	---

**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 - The Fund is not benchmark constrained, but for reference purposes presents its performance against the LIBOR 3 Months Index.

#### Top 5 Holdings in %

Holding	% NAV
1. Freddie Mac Gold Pool 5.5% 15/07/2038	12.6
2. German Treasury Bill 0% 15/10/2008	11.8
3. Ginnie Mae 5% 15/07/2038	5.8
4. Ginnie Mae 5.5% 15/10/2034	4.1
5. Malaysia Government Bond 3.869% 13/04/2010	2.2
<b>Total number of holdings =</b>	<b>56</b>



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#### Asset Allocation in %



Other Net Assets is comprised of Cash (37.73%); Commercial Papers (15.17%); Derivatives (-0.26%: options, unrealised profits / losses on fixed income futures, credit default swaps, interest rate swaps, FX forwards); Other Assets and Liabilities (-14.17%: Payables and Receivable, Short term Investments).

Portfolio holdings analysis excludes derivatives positions and therefore portfolio exposures may be different from those shown.

57.58% 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>	30/09/2004
<b>Total Fund Size (Million)</b>	USD 874.5
<b>Fund Base Currency</b>	USD
<b>S&amp;P Fund Management Ratings</b>	AA
<b>Morningstar Rating</b>	★★
<b>Modified Duration of Fund in Years</b>	1.26
<b>Modified Duration of Index in Years</b>	0.25
<b>Reuters</b>	LU0201323531.LUF
<b>Bloomberg</b>	SCHSAAH LX
<b>Initial Fee</b>	5.26 %
<b>Annual Management Fee</b>	1.00 %
<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.	
<b>Investment Manager</b>	
Schroder Investment Management Limited, 31, Gresham Street, London EC2V 7QA, United Kingdom	

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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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