

Schroder International Selection Fund

European Equity Alpha

A Accumulation Share Class

Investment Objective, Policy and Risk

To provide capital growth primarily through investment in equity securities of European companies. In order to achieve the objective the Investment Manager will invest in a select portfolio of securities, which it believes offer the best potential for future growth.

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 equities are subject to market risk 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

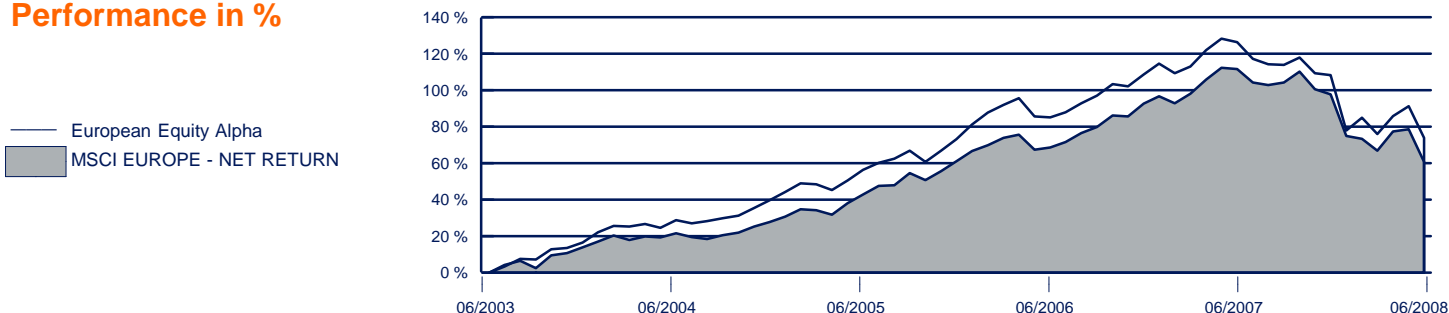


Gary Clarke

The fund's investment strategy is to add as much growth as possible to the portfolio at the best possible value. In other words, we look for companies with better-than-average growth prospects but at good value relative to their peers. In seeking the best investment opportunities, we do not try to predict what will happen in the wider economic environment. Rather, we perform an in-depth analysis of individual companies across Europe, concentrating our research on factors that influence a firm's ability to reward shareholders over the long term.

We look beyond short-term earnings to a company's profits growth potential and to the quality as well as quantity of earnings. In addition, how a company measures up to its competitors is key. On top of our independent research, meeting company management is also integral to fully understanding the businesses in which we invest. We are confident our thorough approach, which combines both growth and value characteristics, will help us deliver strong returns to investors over the long term.

Performance in %



Performance in %	3 months	1 year	3 years	5 years	Beta	Annual Volatility (%)
European Equity Alpha	-1.2	-23.2	11.3	73.9	0.91	13.79
MSCI EUROPE - NET RETURN	-3.6	-24.0	12.6	60.8	---	13.99

Discrete Yearly Performance in %	Q2/2007 - Q2/2008	Q2/2006 - Q2/2007	Q2/2005 - Q2/2006	Q2/2004 - Q2/2005	Q2/2003 - Q2/2004
European Equity Alpha	-23.2	22.3	18.4	21.4	28.8
MSCI EUROPE - NET RETURN	-24.0	25.1	18.0	17.6	21.6

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

Top 10 Holdings in %

Holding	% NAV
1. Nestle	4.0
2. Arcelormittal	3.7
3. Cape	3.2
4. Roche Holding	2.9
5. E.ON 0%	2.9
6. Suez	2.7
7. BP	2.5
8. Vedanta Resources	2.4
9. Temenos	2.4
10. Allianz SE	2.3
Total number of holdings =	69



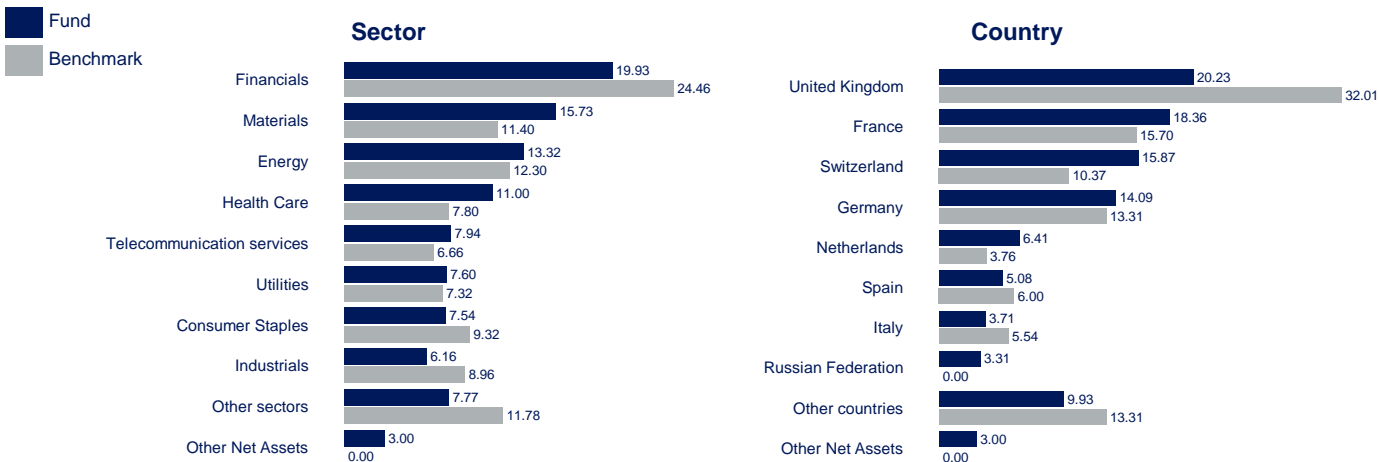
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Asset Allocation in %



Index Data Source: MSCI

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.

2.29% 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.

Fund Launch Date	31/01/2003
Total Fund Size (Million)	EUR 825.2
Fund Base Currency	EUR
S&P Fund Management Ratings	AA
Morningstar Rating	★★★★
Reuters	LU0161305163.LUF
Bloomberg	SISEEAA LX
Initial Fee	5.26 %
Annual Management Fee	1.50 %
Performance Fee	15% of the Fund's outperformance of MSCI Europe Index, subject to high water mark
Minimum Investment Amount	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 European Equity Alpha is not 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 Höhenhof, 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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