

# Schroder International Selection Fund

## Hong Kong Equity

### A Accumulation Share Class

#### Investment Objective, Policy and Risk

To provide capital growth primarily through investment in equity securities of Hong Kong SAR companies.

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.

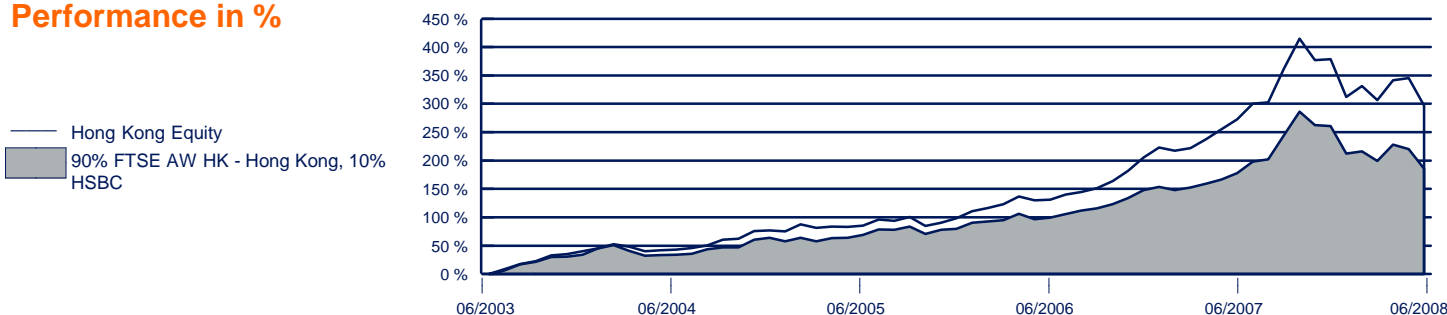
#### Fund Overview

The fund invests mainly in the Hong Kong equity market. We place primary emphasis on our capability to generate investment insights by focusing on individual company research. This process is conducted by one of the strongest and best resourced teams managing Hong Kong equities in the region.

We believe that the outlook for Hong Kong remains bright, underpinned by strong economic and corporate fundamentals. The economic opening of China's has also transformed Hong Kong's prospects, with the territory undoubtedly strongly positioned to benefit from the mainland's structural growth story. We believe Hong Kong should continue to ride on the back of very robust growth of the Chinese economy, benefiting from both its role as a key service provider to the mainland as well as increased consumption from visiting Chinese. The market should also be a key recipient of capital inflows, as Beijing continues to gradually relax its investment rules, providing a very favourable backdrop for the fund and its investors.

Toby Hudson

#### Performance in %



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	3 months	1 year	3 years	5 years	Beta	Annual Volatility (%)
Hong Kong Equity	-2.4	6.6	114.3	297.2	1.00	21.21
90% FTSE AW HK - Hong Kong, 10% HSBC	-4.6	2.7	69.1	185.7	---	20.20

#### Discrete Yearly Performance in %

	Q2/2007 - Q2/2008	Q2/2006 - Q2/2007	Q2/2005 - Q2/2006	Q2/2004 - Q2/2005	Q2/2003 - Q2/2004
Hong Kong Equity	6.6	61.1	24.9	29.5	43.1
90% FTSE AW HK - Hong Kong, 10% HSBC	2.7	39.5	18.1	25.9	34.2

**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 Schroder ISF Hong Kong Equity fund was launched to accommodate a transfer of shareholders from the Schroder range of Hong Kong unit trusts to the Schroder ISF SICAV. Prior to August 2002 when the Schroder ISF Hong Kong Equity fund was launched the fund uses the track record of the Schroder Hong Kong Equity Unit Trust as a proxy performance track record.

#### Top 10 Holdings in %

Holding	% NAV
1. China Mobile (Hong Kong)	7.3
2. Jardine Strategic Holdings	5.3
3. CNOOC	5.0
4. Jardine Matheson Holdings	4.7
5. Swire Pacific	4.4
6. Hang Seng Bank	3.9
7. Hongkong Land Holdings	3.1
8. Noble Group	2.9
9. Cheung Kong Holdings	2.9
10. MTR	2.6
<b>Total number of holdings =</b>	<b>49</b>



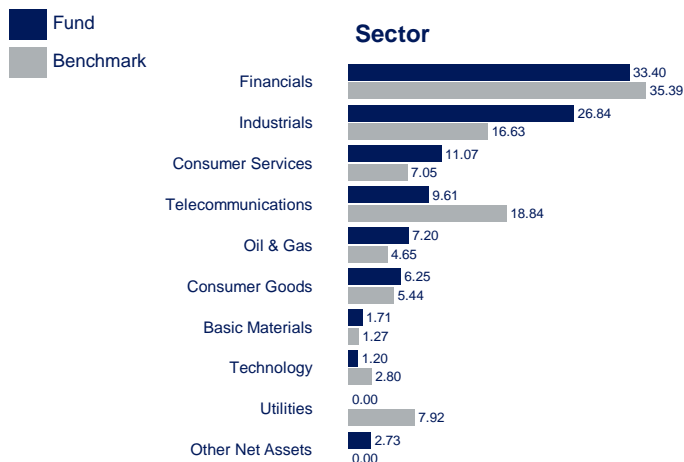
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#### Asset Allocation in %



Index Source: Schroders

Other Net Assets is comprised of pure Cash (Cash in Bank), Payables and Receivables, Unrealised Profit and Loss on Forwards/ Futures/Swaps &amp; Options and short term investments with 1 month or less to maturity.

1.42% 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&amp;P Fund Management Ratings are sourced from S&amp;P.

<b>Fund Launch Date</b>	09/08/2002
<b>Total Fund Size (Million)</b>	HKD 4,651.3
<b>Fund Base Currency</b>	HKD
<b>S&amp;P Fund Management Ratings</b>	-
<b>Morningstar Rating</b>	★★★★★
<b>Reuters</b>	LU0149534421.LUF
<b>Bloomberg</b>	SCHHEAA LX
<b>Initial Fee</b>	5.26 %
<b>Annual Management Fee</b>	1.50 %
<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 (Hong Kong) Ltd, Suites 3301, Level 33, Two Pacific Place, 88 Queensway, Hong Kong SAR, Hong Kong

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The Schroder ISF Hong Kong Equity 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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