

Schroder International Selection Fund

US Small & Mid-Cap Equity

A Accumulation Share Class

Investment Objective, Policy and Risk

To provide capital growth primarily through investment in equity securities of smaller and medium-sized US companies. Smaller and medium-sized US companies are considered companies which, at the time of purchase, form the bottom 40% by market capitalisation of the US market.

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

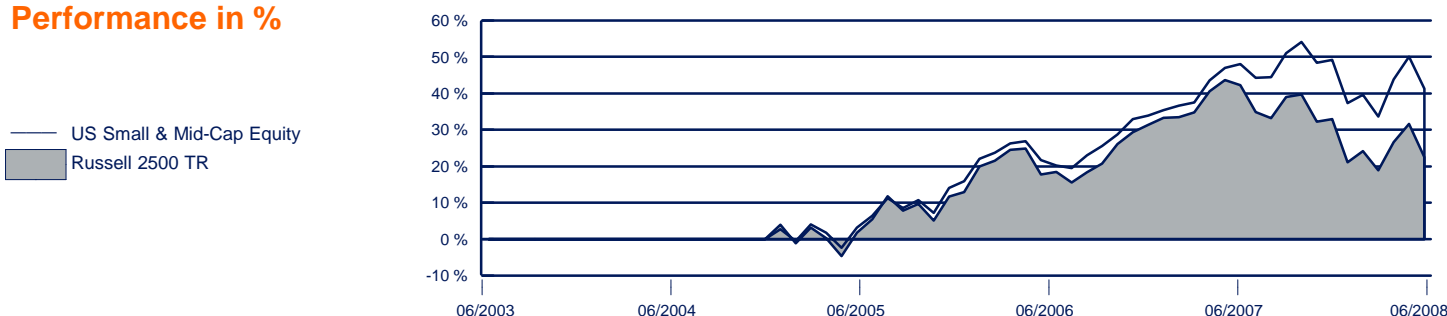


Jenny Jones

The fund's investment process is a bottom-up, fundamental, research-based approach. We seek to identify those companies that have compelling business models, a strong management team and attractive valuation levels. Investing in small and mid caps together lowers risk by diversifying away from small caps alone.

Within the fund we combine three distinctly different types of stocks: (1) those that we call 'mis-priced' growth opportunities, which are companies that demonstrate strong growth trends and improving levels of cash; (2) 'steady eddies', which generate dependable earnings and revenues; and (3) turnarounds, which are companies that are undergoing positive change that is not being recognised by the market. As we have shown throughout 2007, as well as over the full product history, this portfolio typically performs very strongly in negative markets. Our focus on high quality, well managed companies and the portion of the portfolio that is invested in "steady eddies" provides significant ballast in negative and volatile markets.

Performance in %



Performance in %	3 months	1 year	3 years	5 years	Beta	Annual Volatility (%)
US Small & Mid-Cap Equity	5.7	-4.6	32.7	---	0.82	13.26
Russell 2500 TR	3.0	-13.9	16.2	---	---	15.45

Discrete Yearly Performance in %	Q2/2007 - Q2/2008	Q2/2006 - Q2/2007	Q2/2005 - Q2/2006	Q2/2004 - Q2/2005	Q2/2003 - Q2/2004
US Small & Mid-Cap Equity	-4.6	23.1	13.0	---	---
Russell 2500 TR	-13.9	20.1	12.3	---	---

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. Scientific Games	3.0
2. DaVita Inc	2.9
3. Amdocs	2.8
4. Galleon Energy	2.6
5. Reinsurance Group of America	2.5
6. Albemarle	2.4
7. Forest Oil	2.2
8. Pactiv Corp	2.0
9. Dresser-Rand Group	1.9
10. Barr Pharmaceuticals	1.9
Total number of holdings =	83



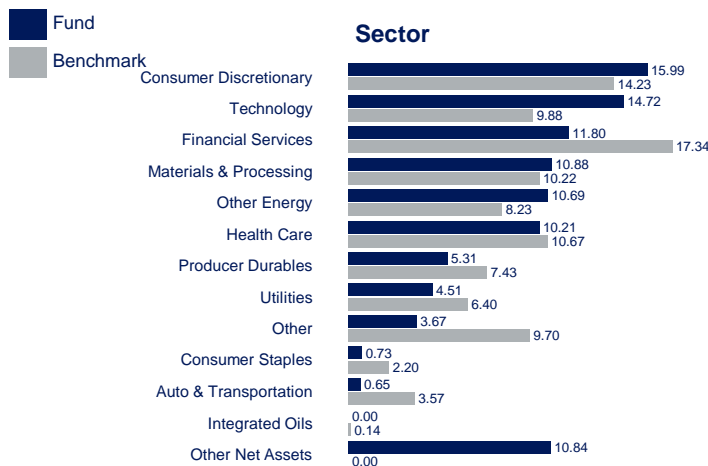
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Asset Allocation in %



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.

12.54% 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	10/12/2004
Total Fund Size (Million)	USD 673.4
Fund Base Currency	USD
S&P Fund Management Ratings	AA
Morningstar Rating	★★★★
Reuters	LU0205193047.LUF
Bloomberg	SCHUMAA LX
Initial Fee	5.26 %
Annual Management Fee	1.50 %
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 North America Inc., 875 Third Avenue, 22nd Floor, New York, New York 10022- 6225, United States

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The Schroder ISF US Small & Mid-Cap 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 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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