

# Schroder International Selection Fund

## Japanese Equity

### A Accumulation EUR Hedged Share Class

#### Investment Objective, Policy and Risk

To provide capital growth primarily through investment in equity securities of Japanese 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



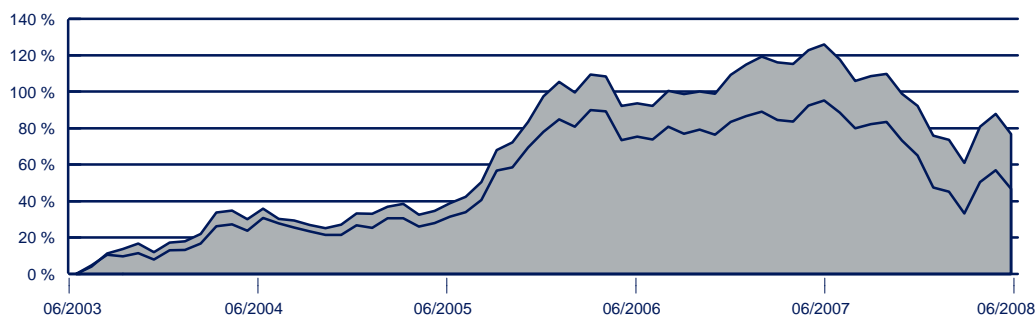
Shogo Maeda

Japan is one of the world's most important economic powers and is one of the key global stockmarkets for investors to get exposure to. Furthermore, after many years spent in the doldrums, the Japanese economy is emerging from a period of deflation (falling prices) and has returned to a path of sustainable growth. Another key reason for investing in this market is that Japanese manufacturers are world leaders in several major industries. For example, the strength of Japan's automobile industry leaves it well placed to benefit from the commercialisation of less developed countries, while Japanese companies continue to enjoy a global competitive advantage in the electronic components and machinery industries.

We believe Schroder ISF Japanese Equity fund is well-positioned to make the most of this considerable investment potential, based on our commitment to highly detailed, company-by-company research. We look to invest in companies that can continue to grow their profits and with management teams focused on improving efficiency, as we believe these have the best prospects over the longer term.

#### Performance in %

— Japanese Equity  
 ■ Japan TSE 1st Section Index (TR) (EUR Hedged)\*



#### Performance in %

|  | 3 months | 1 year | 3 years | 5 years | Beta | Annual Volatility (%) |
|--|----------|--------|---------|---------|------|-----------------------|
| Japanese Equity                                | 10.1     | -24.8  | 11.6    | 46.7    | 1.02 | 19.83                 |
| Japan TSE 1st Section Index (TR) (EUR Hedged)* | 9.9      | -21.7  | 27.3    | 76.8    | ---  | 19.03                 |

#### Discrete Yearly Performance in %

|  | Q2/2007 - Q2/2008 | Q2/2006 - Q2/2007 | Q2/2005 - Q2/2006 | Q2/2004 - Q2/2005 | Q2/2003 - Q2/2004 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Japanese Equity                                | -24.8             | 11.4              | 33.3              | 0.6               | 30.7              |
| Japan TSE 1st Section Index (TR) (EUR Hedged)* | -21.7             | 17.8              | 39.5              | 2.2               | 35.8              |

**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.

\* The index has been hedged by Schroders to reflect the currency of the share class.

Source: Schroders

#### Top 10 Holdings in %

| Holding                            | % NAV     |
|------------------------------------|-----------|
| 1. Toyota Motor                    | 5.4       |
| 2. Sumitomo Mitsui Financial Group | 3.6       |
| 3. Canon                           | 3.4       |
| 4. Central Japan Railway           | 3.4       |
| 5. Shin-Etsu Chemical              | 3.1       |
| 6. KDDI                            | 2.9       |
| 7. Komatsu                         | 2.8       |
| 8. Mitsui                          | 2.8       |
| 9. Mizuho Financial Group          | 2.7       |
| 10. Orix                           | 2.5       |
| <b>Total number of holdings =</b>  | <b>69</b> |



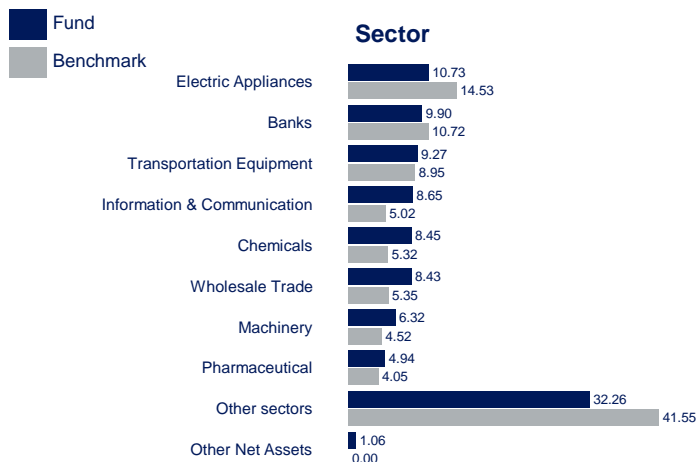
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#### Asset Allocation in %



Index Source: Datastream

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.

3.39% 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>   | 02/08/1993       |
| <b>Total Fund Size (Million)</b>  | JPY 77,392.2     |
| <b>Fund Base Currency</b>   | JPY              |
| <b>S&amp;P Fund Management Ratings</b>  | -                |
| <b>Morningstar Rating</b>   | ★★★              |
| <b>Reuters</b>  | LU0236737465.LUF |
| <b>Bloomberg</b>  | SCHJPHA LX       |
| <b>Initial Fee</b>  | 5.26 %           |
| <b>Annual Management Fee</b>  | 1.25 %           |
| <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 (Japan) Ltd, 1-11-1 Marunouchi, Chiyoda-ku, Tokyo 100-6224, Japan  |                  |

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The Schroder ISF Japanese 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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