Schroders

Key Investor Information

This document provides you with key investor information about this fund. It is not marketing material. The information is required by law to help you understand the nature and the risks of investing in this fund. You are advised to read it so you can make an informed decision about whether to invest.

Emerging Markets Debt Absolute Return

a sub-fund of Schroder International Selection Fund SICAV

Class C Distribution JPY Hedged (LU0697816758)

This fund is managed by Schroder Investment Management (Luxembourg) S.A., which is a member of the Schroders Group.

Objectives and Investment Policy

Objectives

The fund aims to provide capital growth and income.

Absolute return means the fund seeks to provide a positive return over a 12 month period in all market conditions, but this cannot be guaranteed.

Investment Policy

The fund will be invested in bonds and currencies in Emerging Markets as well as holding cash on deposit. The bonds will be issued by governments, government agencies and companies. In aiming to deliver an absolute return, a substantial part of the fund may be held in cash which may include short term developed market government bonds.

Based on our in-depth country analysis, we actively allocate to selected countries within our broad investment universe and across a range of government bonds, corporate bonds and currencies that we believe will offer the best risk-adjusted returns.

The fund has no set target allocation in respect of any Emerging Markets country or sector but has the flexibility to focus on investments which offer the most attractive opportunities.

The fund may also invest in other financial instruments. Derivatives may be used to achieve the investment objective and to reduce risk or manage the fund more efficiently.

Benchmark

The fund is not managed with reference to a financial index.

Dealing Frequency

You may redeem your investment upon demand. This fund deals daily.

Distribution Policy

This share class pays a semi-annual distribution at a variable rate based on gross investment income.

Risk and Reward Profile

Lower risk Potentially lower reward — **Higher risk** Potentially higher reward

1 2 3 **4** 5 6 7

The risk and reward indicator

The risk category is based upon the fund's risk target and there is no guarantee that the fund will achieve it.

The fund's risk category is not guaranteed to remain fixed and may change over time.

A fund in the lowest category does not mean a risk-free investment.

The fund is in this category because it can take higher risks in search of higher rewards and its price may rise and fall accordingly.

Other particular risks

Capital risk / distribution policy: the expenses of this share class are paid out of capital rather than out of investment income. Capital growth will be reduced and in periods of low growth capital erosion may occur.

Credit risk / debt securities: A security issuer may not be able to meet its obligations to make timely payments of interest and principal. This will affect the credit rating of those securities.

Credit risk / non-investment grade: Non-investment grade securities will generally pay higher yields than more highly rated securities but will be subject to greater market, credit and default risk.

Credit risk / structured products: In order to access restricted markets, the fund may invest in structured products. Should the counterparty default, the value of these structured products may be nil.

Currency risk / hedged share class: Changes in exchange rates will affect the returns on your investment. The aim of this Japanese yen hedged share class is to provide you with the performance returns of the fund's investments by reducing the effects of exchange rate fluctuations between Japanese yen and the fund's base currency US dollar.

Financial techniques / derivative outcome: There is no guarantee that a financial derivative contract will achieve its intended outcome, even if the terms of the contract are completely satisfied.

Market risk / emerging markets & frontier: Emerging markets will generally be subject to greater political, legal, counterparty and operational risk.

Operational risk / third parties: The fund's operations depend on third parties and it may suffer disruption or loss in the event of their failure.

Charges

One-off charges taken before or after you invest	
Entry charge	1.00%
Exit charge	None

This is the maximum that might be taken out of your money before it is invested.

Charges taken from the fund over a year	
Ongoing Charge	1.22%
Charges taken from the fund under certain specific conditions	
Performance fee	None

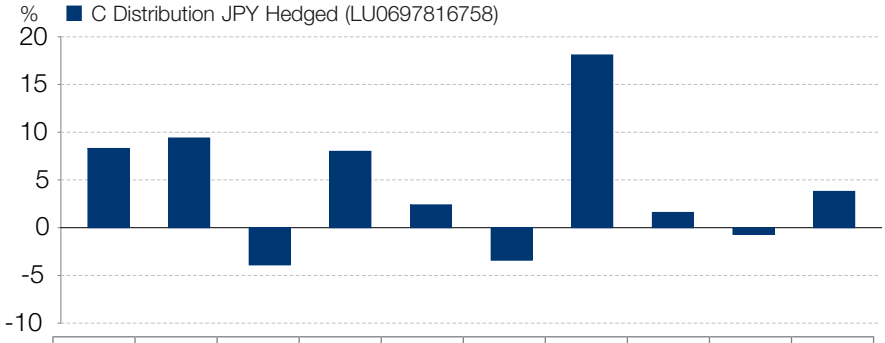
The charges you pay are used to pay the costs of running the fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

The entry and exit charges shown are maximum figures and in some cases you might pay less. You can find out the actual entry and exit charges from your financial advisor.

The ongoing charges figure is based on the last year's expenses for the year ending December 2012 and may vary from year to year.

You can find more information about the charges in Section 3 of the fund's prospectus.

Past Performance



	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
	8.3	9.4	-3.9	8.0	2.4	-3.4	18.1	1.6	-0.7	3.8

1 Performance shown during this period predates the launch of this share class and has been simulated using the history of a similar share class within the fund.

2 Performance achieved during this period was achieved in circumstances that no longer apply. The fund's objectives and investment policy were changed in January 2008.

Past performance is not a guide to future performance and may not be repeated. The value of investments may go down as well as up and you may not get back the amount you originally invested.

The chart shows performance in Japanese yen after the ongoing charges and the portfolio transaction costs have been paid. Entry and exit charges are excluded from calculations of past performance.

The fund was launched on 29 August 1997.

Practical Information

Depository: J. P. Morgan Bank Luxembourg S.A.

Further Information: You can get further information about this fund, including the prospectus, latest annual report, any subsequent half-yearly report and the latest price of shares from the fund's management company at 5, rue Höhenhof, L-1736 Senningerberg, Luxembourg, and from www.schroders.lu/kid. They are available free of charge in Bulgarian, English, French, German, Greek, Hungarian, Italian, Polish, Portuguese and Spanish.

Tax Legislation: The fund is subject to tax in Luxembourg, which may have an impact on your personal tax position as an investor.

Liability: Schroder Investment Management (Luxembourg) S.A. may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the fund's prospectus.

Umbrella Fund: This fund is a compartment of an umbrella fund, the name of which is at the top of this document. The prospectus and periodic reports are prepared for the entire umbrella fund. To protect investors, the assets and liabilities of each compartment are segregated by law from those of other compartments.

Switches: Subject to conditions, you may apply to switch your investment into another share class within this fund or in another Schroder fund. Please see the prospectus for more details.

Glossary: You can find an explanation of some of the terms used in this document at www.schroders.lu/kid/glossary.

This fund is authorised in Luxembourg and regulated by the Commission de Surveillance du Secteur Financier (CSSF). This key investor information is accurate as at 19 February 2013.