

Schroder International Selection Fund

Asian Bond Absolute Return

A Accumulation Share Class

Fund Launch Date

16 October 1998

Total Fund Size (Million)

USD 372,8

Share Price End of Month (USD)

13,16

Total number of holdings

103

Benchmark

USD LIBOR 3 Months

Fund Manager

Rajeev De Mello

Managed fund since

01 July 2011

Running Yield

3,51 %

Effective Duration of Fund in Years

3,58

Effective Yield

3,42 %

Average Credit Rating

BBB+

Annual Volatility over 3 years (%)

2,49

The Running Yield reflects the income related to the Coupons of the instruments held in the portfolio as a percentage of their market value. The figure shown is a market value weighted average for the whole portfolio. It does not include any preliminary charge and investors may be subject to tax on distributions.

Investment Objective and Policy

The fund aims to provide an absolute return of capital growth and income by investing in bonds issued by governments, government agencies, supra-nationals and companies in Asia (excluding Japan). 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 and your capital is at risk.

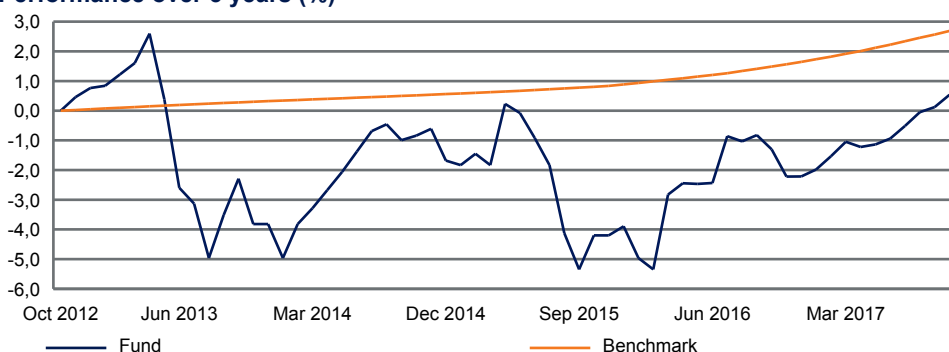
The fund invests at least two-thirds of its assets in bonds and currencies. The bonds will be issued by governments, government agencies and companies in Asia (excluding Japan). The fund seeks to capitalise on the broad range of fixed income opportunities in Asia, with the aim of generating absolute returns. Utilising Schroders' experience of Asian fixed income investment, an extensive research resource and an unconstrained investment approach, the fund seeks to add value via a combination of interest rate strategies, currencies and corporate bonds. The fund may invest in mainland China through the Renminbi Qualified Foreign Institutional Investor ("RQFII") scheme or regulated markets. The fund may invest up to 50% of its assets in bonds that have a below investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies for rated bonds and implied Schroders ratings for non-rated bonds). The fund may also invest in money market instruments and hold cash. 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. The fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the fund more efficiently. The fund may use leverage and take short positions.

Performance Analysis

Performance (%)	1 month	3 months	6 months	YTD	1 year	3 years	5 years	10 years
Fund	0,4	1,1	1,8	2,8	1,9	1,4	0,5	12,6
Benchmark	0,1	0,3	0,7	1,0	1,2	2,2	2,7	33,3

Annual Performance (%)	2016	2015	2014	2013	2012
Fund	1,7	-2,3	2,2	-4,5	8,7
Benchmark	0,8	0,3	0,2	0,3	0,4

Performance over 5 years (%)



Past performance is not a reliable indicator of future results, prices of shares and the income from them may fall as well as rise and investors may not get back the amount originally invested.

The fund is not managed with reference to a benchmark but its performance may be measured against one or more.

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 ongoing charges and the portfolio transaction costs, and including the impact of any performance fees if applicable.

Some performance differences between the fund and the benchmark may arise because the fund performance is calculated at a different valuation point from the benchmark. With effect from 01/08/2010 Schroder ISF Asian Bond changed its name to Schroder ISF Asian Bond Absolute Return and changed its investment objective. On 01/12/2011 the LIBOR 3 Months replaced the Citi Treasury / Agency TR. The full track record of the previous index has been kept and chainlinked to the new one. Source: Schroders



Schroders

Holdings Analysis

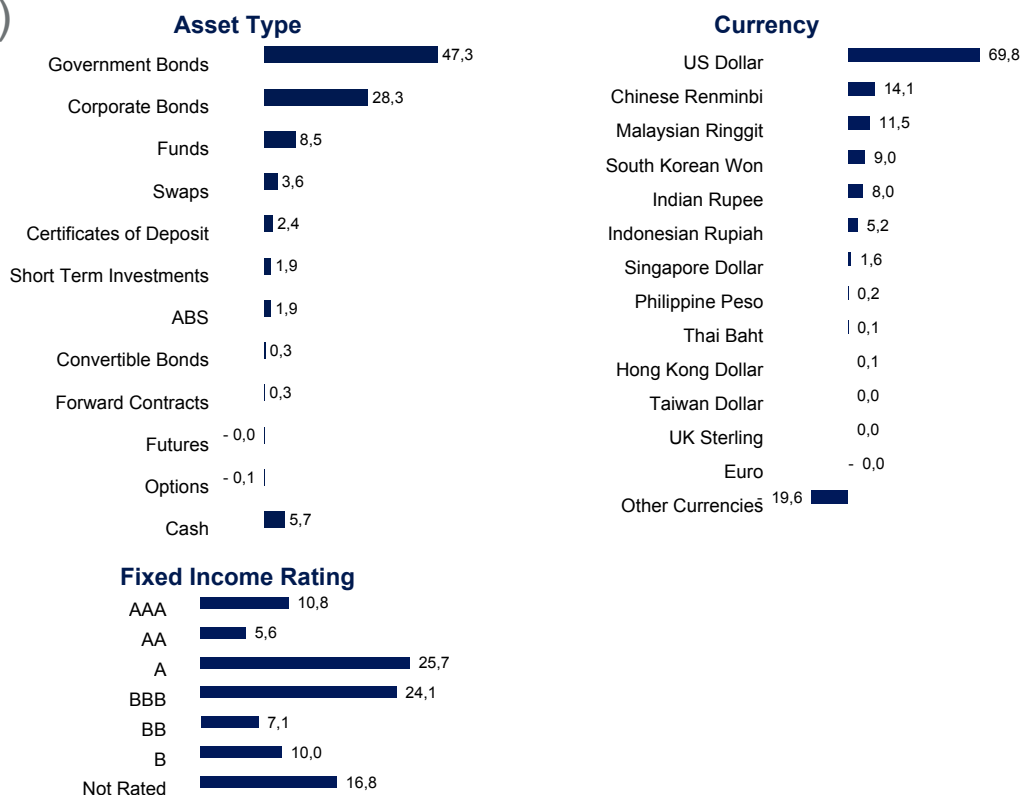
Top 10 Holdings

	% NAV
1. Malaysia Government Bond 3.899% 16/11/2027	7,3
2. India Government Bond 8.2% 24/09/2025	6,7
3. Malaysia Government Bond 3.659% 15/10/2020	6,1
4. Schroder ISF RMB Fixed Income	5,5
5. United States Treasury Bill 0% 25/01/2018	4,3
6. United States Treasury Note/Bond 0.625% 15/01/2026	3,7
7. India Government Bond 7.72% 25/05/2025	3,1
8. Schroder China Fixed Income Fund	3,0
9. Thailand Government Bond 1.25% 12/03/2028	2,8
10. Thailand Government Bond 3.65% 20/06/2031	2,6
Total	45,0

Asset Allocation (%)

NB: Credit ratings are calculated using asset ratings from different rating agencies.

Source: Schroders



Risk Considerations

Capital risk / negative yields: When interest rates are very low or negative, the fund's yield may be zero or negative, and you may not get back all of your investment.

China country risk: Changes in China's political, legal, economic or tax policies could cause losses or higher costs for the fund.

Counterparty risk: The counterparty to a derivative or other contractual agreement or synthetic financial product could become unable to honour its commitments to the fund, potentially creating a partial or total loss for the fund.

Counterparty risk / money market & deposit: A failure of a deposit institution or an issuer of a money market instrument could create losses.

Credit risk: A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

Currency risk: The fund can be exposed to different currencies. Changes in foreign exchange rates could create losses.

Derivatives risk: A derivative may not perform as expected, and may create losses greater than the cost of the derivative.

Emerging markets & frontier risk: Emerging markets, and especially frontier markets, generally carry greater political, legal, counterparty and operational risk.

High yield bond risk: High yield bonds (normally lower rated or unrated) generally carry greater market, credit and liquidity risk.

Interest rate risk: A rise in interest rates generally causes bond prices to fall.

Leverage risk: The fund uses derivatives for leverage, which makes it more sensitive to certain market or interest rate movements and may cause above-average volatility and risk of loss.

Liquidity risk: In difficult market conditions, the fund may not be able to sell a security for full value or at all. This could affect performance and could cause the fund to defer or suspend redemptions of its shares.

Onshore renminbi currency risk: Currency control decisions made by the Chinese government could affect the value of the fund's investments and could cause the fund to defer or suspend redemptions of its shares.

Operational risk: Failures at service providers could lead to disruptions of fund operations or losses.

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.

Information

Schroder Investment Management (Luxembourg) S.A.
5, rue Höhenhof
1736 Senningerberg
Luxembourg
Tel.: (352) 341 342 212
Fax: (352) 341 342 342
For your security, communications may be taped or monitored.

	Accumulation	Distribution
SEDOL	5794610	5559789
Bloomberg	SCHABDA:LX	SCHABDI:LX
Reuters	LU0106250508.LUF	LU0091253459.LUF
ISIN	LU0106250508	LU0091253459
Fund Base Currency	USD	
Dealing Frequency	Daily (13:00 CET)	
Ongoing Charges (latest available)	1,63 %	
Minimum Investment Amount	EUR 1000 or USD 1000 or their near equivalent in any other freely convertible currency. The minimum subscription amount may be waived at the Directors' discretion.	



Morningstar Ratings are sourced from Morningstar.

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