

Schroder International Selection Fund US Dollar Bond

C Accumulation Share Class

| | |
|---|--|
| Fund Launch Date | 15 December 1997 |
| Total Fund Size (Million) | USD 880.6 |
| Share Price End of Month (USD) | 23.66 |
| Total number of holdings | 304 |
| Benchmark | Bloomberg Barclays US Aggregate Bond Index |
| Fund Manager | Neil Sutherland & Wesley Sparks |
| Managed fund since | 17 October 2014 |
| Running Yield | 3.06 % |
| Effective Duration of Fund in Years | 5.37 |
| Effective Duration of Index in Years | 5.96 |
| Effective Yield | 2.75 % |
| Option Adjusted Spread of Fund | 85 bp |
| Option Adjusted Spread of Index | 43 bp |
| Average Credit Rating | A+ |
| Annual Volatility over 3 years (%) | 2.77 |

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 income and capital growth by investing in bonds denominated in USD.

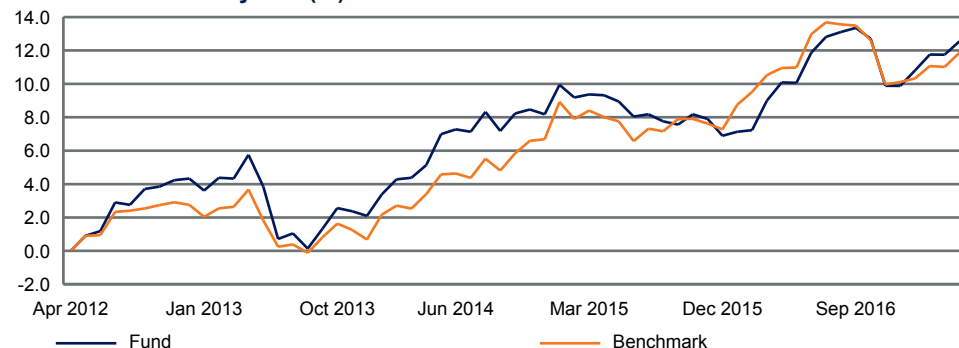
The fund invests at least two-thirds of its assets in bonds, including asset-backed securities and mortgage-backed securities, denominated in US dollar, issued by governments, government agencies and companies worldwide. The fund invests in the full credit spectrum of bonds. The fund may invest up to 40% 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); and up to 70% of its assets in asset-backed securities and mortgage-backed securities issued worldwide with an investment grade or sub-investment grade credit rating (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies). Underlying assets may include credit card receivables, personal loans, auto loans, small business loans, leases, commercial mortgages and residential mortgages. 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. The fund may also hold cash.

Performance Analysis

| Performance (%) | 1 month | 3 months | 6 months | YTD | 1 year | 3 years | 5 years | 10 years |
|-----------------|---------|----------|----------|-----|--------|---------|---------|----------|
| Fund | 0.7 | 1.6 | -0.1 | 2.4 | 2.2 | 7.0 | 12.5 | 54.9 |
| Benchmark | 0.8 | 1.4 | -0.7 | 1.6 | 0.8 | 8.2 | 11.9 | 52.3 |

| Discrete Yearly Performance (%) | Q1/2016 - Q1/2017 | Q1/2015 - Q1/2016 | Q1/2014 - Q1/2015 | Q1/2013 - Q1/2014 | Q1/2012 - Q1/2013 |
|---------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Fund | 2.5 | -0.3 | 4.8 | 0.0 | 5.2 |
| Benchmark | 0.4 | 2.0 | 5.7 | -0.1 | 3.8 |

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 managed with reference to a benchmark and its performance may be measured accordingly, but the manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark.

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.

Source: Schroders

In June 2000, the index changed from Salomon Smith Barney US Component to the Bloomberg Barclays US Aggregate Bond Index. The full track record of the previous benchmark has been kept and chain linked to the new one. On 02/01/2013 Schroder ISF US Dollar Bond changed its investment objective.



Schroders

Holdings Analysis

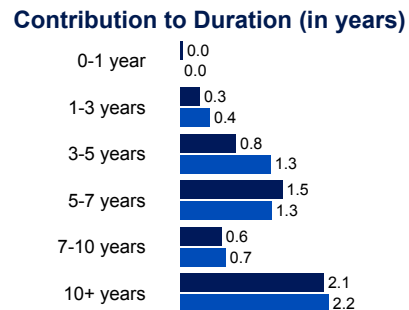
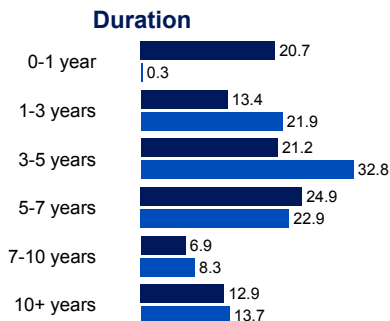
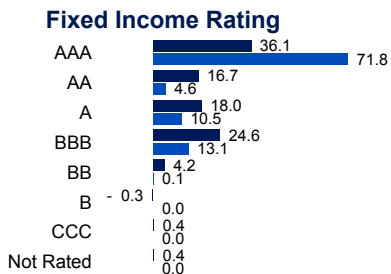
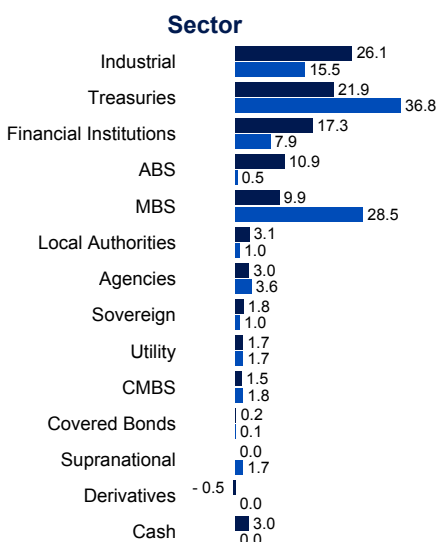
| Top 10 Holdings | Sector | % NAV |
|---|------------------------|-------------|
| 1. United States Treasury Note/Bond 2% 15/11/2026 | Treasuries | 2.8 |
| 2. United States Treasury Note/Bond 0.125% 15/07/2026 | Treasuries | 2.6 |
| 3. United States Treasury Bill 0% 13/07/2017 | Treasuries | 2.0 |
| 4. United States Treasury Note/Bond 1.5% 15/08/2026 | Treasuries | 1.9 |
| 5. Fannie Mae Pool 3% 01/10/2046 | MBS | 1.8 |
| 6. United States Treasury Note/Bond 0.875% 15/10/2017 | Treasuries | 1.5 |
| 7. State Board of Admin. Finance 2.995% 01/07/2020 | Local Authorities | 1.4 |
| 8. Fannie Mae Pool 3.5% 01/05/2046 | MBS | 1.4 |
| 9. Mexico Government Bond 7.5% 03/06/2027 | Treasuries | 1.2 |
| 10. Barclays Bank 10.179% 12/06/2021 | Financial Institutions | 1.2 |
| Total | | 18.0 |

Asset Allocation (%)

Fund
Benchmark

Credit ratings are calculated using asset ratings from different rating agencies. Non-rated assets are rated as the government issuing or guaranteeing them. Allocations and positioning are shown on a trade date basis. Depending on the prevailing portfolio strategy and the use of mortgage TBAs, forward-settling trades can result in cash being reported as negative.

Source: Schroders



Risk Considerations

ABS and MBS risk: Mortgage or asset-backed securities may not receive in full the amounts owed to them by underlying borrowers.
 Capital risk / distribution policy: Because the fund intends to pay dividends regardless of its performance, a dividend may include a return of part of your original investment.
 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.
 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.
 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.
 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

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 For your security, communications may be taped or monitored.

| | Accumulation | Distribution |
|---|---|------------------|
| SEDOL | 5795765 | 5389759 |
| Bloomberg | SCHUBCA:LX | SCHUBCI:LX |
| Reuters | LU0106261026.LUF | LU0083284553.LUF |
| ISIN | LU0106261026 | LU0083284553 |
| Fund Base Currency | USD | |
| Dealing Frequency | Daily (13:00 CET) | |
| Entry Charge | 1.00 % of gross investment amount | |
| Ongoing Charges (latest available) | 0.65 % | |
| Minimum Investment Amount | EUR 500 000 or USD 500 000 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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