

# Schroder International Selection Fund US Smaller Companies (USD)

## Investment Objective and Policy\*

To provide capital growth primarily through investment in equity securities of smaller US companies.

\*Schroder International Selection Fund US Smaller Companies was closed on 2 April 2002 to all subscriptions by either existing shareholders or future investors, other than in respect of subscriptions arising from the reinvestment of dividends into any share class, or subscriptions by existing shareholders in the A1 share class only into that same share class.

## Fund Manager's Review



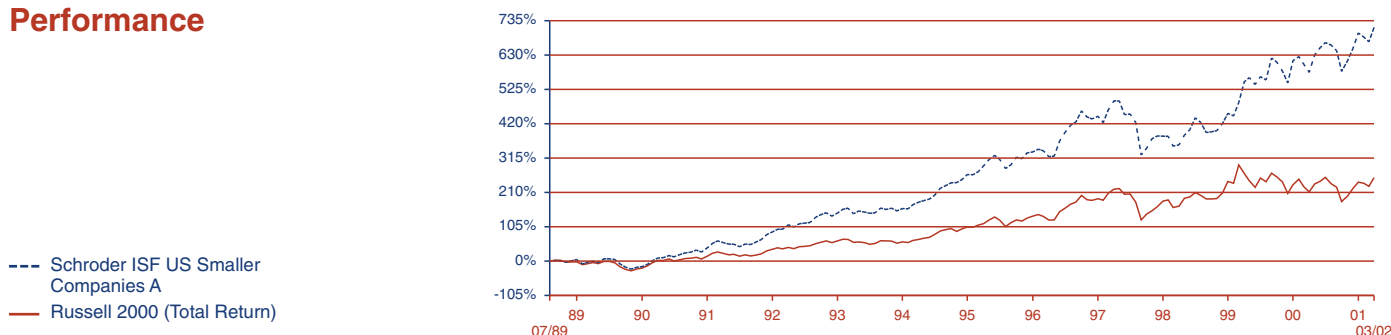
Ira Unschuld

The US market began 2002 on a downbeat note as the Enron bankruptcy triggered worries about companies' financial positions throughout the market. However, the market has rallied since late February as investors grow more optimistic about an economic recovery this year. Economic news flow has already improved and we are confident that growth will rebound this year. Under these conditions, we believe smaller companies should provide better returns than their larger counterparts.

We seek to find high quality companies that the market has overlooked through our own detailed research and assessment of each company's future potential based on its management team, business model, and ability to grow profits. As a result, we are able to invest in companies that are trading on extremely low valuations but have superior growth potential.

Historically, smaller companies have performed very well coming out of an economic slowdown, especially compared to their larger peers. Therefore, we are confident that the good quality companies held in the Fund will continue to deliver above market returns in the months ahead.

## Performance



## Performance Statistics

Performance in USD (in %)	3 months	1 year	3 years	5 years	Since Launch	Beta	Annual Volatility
Schroder ISF US Smaller Companies A (Acc)	+2.1	+20.2	+78.8	+94.2	+714.3	0.57	17.25
Russell 2000 (TR)	+4.0	+14.0	+32.5	+57.6	+255.1	1.00	23.37

Source: Standard & Poor's Micropal (Fund accumulation shares), buying price to buying price basis, gross income reinvested; Standard & Poor's Micropal (Index)

Launch: 20/07/1989; Since launch statistics measured since earliest available date 31/07/1989.

Annual Volatility: Volatility is an estimate of the risk of an investment and is measured by the Lognormal Annualised Standard Deviation of the fund.

Beta: Beta is the relative measure of the sensitivity of an investment's return to changes in the benchmark's return. The Beta (or Slope) between two funds is the amount the first fund moves when the other moves by one. Beta and Annual Volatility are measured over the past three years.

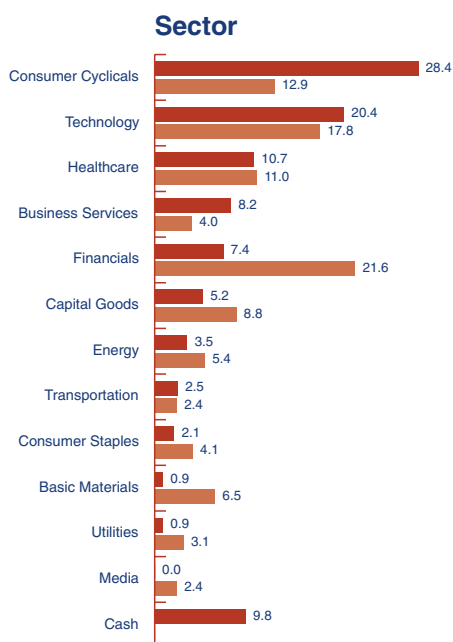
**Past performance is not necessarily a guide to future performance and may not be repeated. Investors may not get back the full amount invested, as prices of shares and the income from them may fall as well as rise. Exchange rate changes may cause the value of any overseas investments to rise or fall.**

## Top 10 Holdings

	% NAV
1. Rent-A-Center Inc.	1.8
2. Michaels Stores Inc.	1.7
3. Constellation Brands Inc	1.6
4. Amphenol Corp.	1.6
5. Mohawk Industries Inc.	1.6
6. AmerisourceBergen Corp	1.6
7. Applebees International Inc.	1.5
8. DaVita Inc	1.5
9. Ryder System Inc.	1.4
10. Ruby Tuesday Inc.	1.4

# Schroder International Selection Fund US Smaller Companies (USD)

## Asset Allocation in %



## Technical Details

### Investment manager:

Schroder Investment Management North America Inc., 875 Third Avenue, 22nd Floor, New York, NY 10022-6225, USA

**Fund Size:** USD 718.5 Million

**Annual Management Fee:** 1.50%

### Prices:

Each class of share of each Fund is listed on the Luxembourg Stock Exchange and all prices are published in the Financial Times and Financial Express. Prices may be published in other local newspapers in the individual countries in which the Fund is registered, in accordance with the registration.

**Bloomberg ticker number:** SCHUSSA LX, SCHUSBA LX

**Reuters code:** LU0106261612.LUF, LU0106261885.LUF

**Rating:** S&P Fund Ratings AA  
S&P Fund Stars\*\*\*\*

The value of the Schroder International Selection Fund US Smaller Companies class may fluctuate more than other funds due to the greater potential volatility of share prices of smaller companies.

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The shares of the Company have not been registered under the United States Securities Act of 1933 and are not for distribution in the United States of America or any of its territories or possessions or to or for the benefit of a United States person (as defined in the prospectus). 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 agreement to purchase shares under the UK's Financial Services (Non-Life) Cancellation Rules 1997 as amended. All or most of the protections provided by the UK regulatory system do not apply to investments in the Company and compensation will not be available under the UK Financial Services Compensation Scheme. The Company is not managed in order to qualify for UK distributor status. It may not meet the requirements of investors subject to UK taxation. An investment in the Company entails risks, which are more fully described in the prospectus.

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