

IMPORTANT INFORMATION:

Key risk:

- The fund may have significant exposure in financial derivatives instruments ("FDI"). Risks associated with FDI include counterparty risk, credit risk and liquidity risk. Such exposure may lead to a high risk of capital loss.
- The fund investing in single countries may be subject to a higher level of risks comparing to a fund investing in a more diversified portfolio/strategy.

You should not make any investment decision solely based on this document. Please read the relevant offering document carefully for further fund details including risk factors.

As at 28 February 2011

Schroder ISF Hong Kong Equity[△]



**Target your investment
with experience and potential**

Lipper Fund Awards 2011 Hong Kong
Equity Hong Kong - 5 years

Lipper Fund Awards 2010 Hong Kong
Equity Hong Kong - 5 years

Lipper Fund Awards 2009 Hong Kong
Equity Hong Kong - 5 years & 10 years

Lipper Fund Awards 2008 Hong Kong
Equity Hong Kong - 3 years, 5 years & 10 years

Lipper Fund Awards 2007 Hong Kong
Equity Hong Kong - 5 years & 10 years

SCMP Fund Awards 2007
Equity Hong Kong - 5 years

Morningstar Rating ★★★★★⁺

Awards based on the performance of previous years

**Eligible fund under the Hong Kong
Capital Investment Entrant Scheme**



Schroders

Hong Kong is banking on China's robust economic growth

Strong support from China

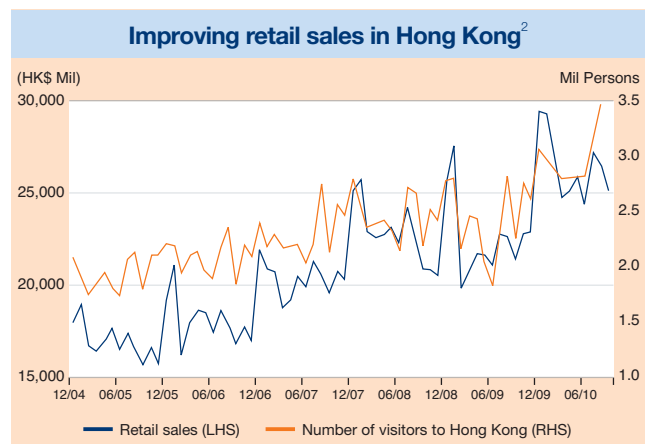
- The People's Bank of China has resumed the exchange rate reform, allowing the gradual appreciation of the yuan. As a result, the wealth effect helps to boost domestic consumption and profits of Hong Kong and Chinese companies that have business exposure to the mainland market
- In its five-year plan, the 12th National People's Congress formally endorsed the priority of speeding up the transformation of the economic growth model by expanding "domestic demand"
- Despite the tightening of monetary policy, the Beijing government is determined to maintain adequate liquidity in the market for long-term economic growth

Solid fundamentals in Hong Kong

- Hong Kong is solidly supported by strong economic fundamentals with a low debt ratio and huge government fiscal reserve. Besides, the city also benefits from the fast-growing economy in China, which bodes well for the city's sustainable growth
- The latest economic data was encouraging. For example, tourists from China in July and August were at record-high levels, propelling retail sales to rise continually
- The thriving property market and improved employment conditions are boosting domestic spending

Comparative advantages of investing in Hong Kong equities

- Compared with mainland equities, the Hong Kong stock market provides a more stable level of returns with lower 3-year volatility
- Compared with China market, transparency is greater in the Hong Kong stock market. As an international city, Hong Kong gives investors access to the global market
- Over half of the Hong Kong listed companies have operations on the mainland. Therefore investors can invest in them to tap into the mainland market, which may profit from the prospering economy



¹ Source: Bloomberg, 30 July 2010. ² Source: Bloomberg, 30 September 2010. ³ Source: Schroders and Morningstar, 28 February 2011.

Schroder ISF Hong Kong Equity

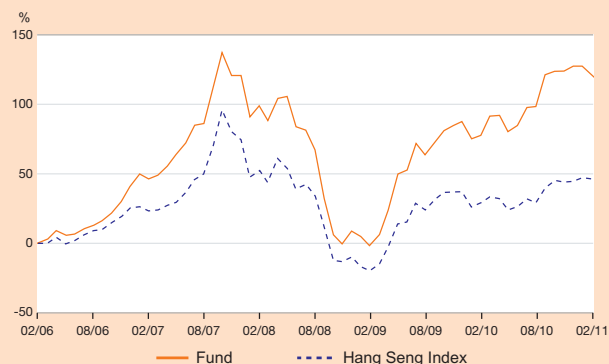
Fund Features

- China concepts: Over half of the listed companies in Hong Kong have business activities in China. Investing in this fund will provide the opportunity to share the fruits of China's economic prosperity
- Denominated in Hong Kong dollar, which mitigates the impact of currency fluctuations for Hong Kong based investors
- Received numerous awards and has been well recognised by the industry since its establishment in 1988*
- Outstanding performance: The fund outperformed its peers and the Hang Seng Index in five of the past six calendar years. The fund gained 24% over the past year while the Hang Seng Index returned only 13%
- Investment immigration: Eligible fund under Hong Kong Capital Investment Entrant Scheme

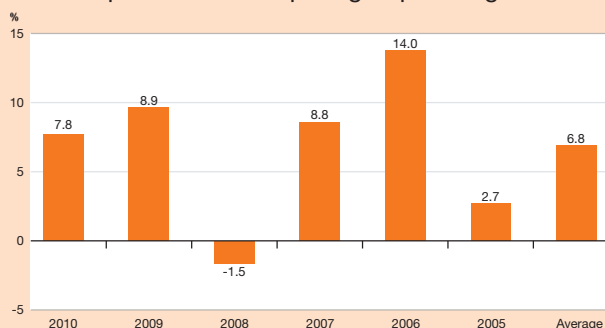
Key Performance

Cumulative Performance** (%)	YTD	3-mth	1 Yr	3 Yrs	5 Yrs	Since 26/01/1988 [†]
Fund	-2.9	-1.6	24.0	10.8	121.0	2,981.8 [^]
Hang Seng Index	1.3	1.4	13.2	-4.1	46.6	N/A

Annual Return (%)	2010	2009	2008	2007	2006
Fund	21.2	72.2	-50.7	56.7	54.2
Hang Seng Index	5.3	52.0	-48.3	39.3	34.2



Relative performance to peer group average[#]



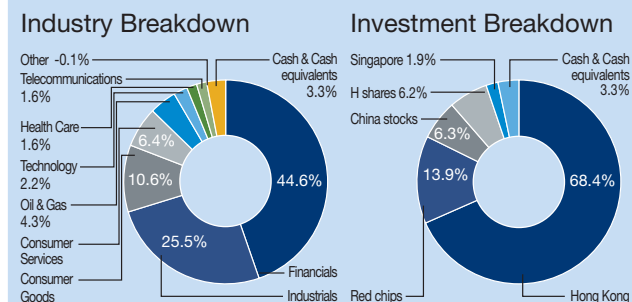
Risk factors

- Investing in a single country fund may involve higher risks comparing to a fund investing in a more diversified portfolio
- The fund may invest in emerging markets and may be subject to higher risks, such as political, legal and regulatory risks
- The fund may invest in securities which are not listed on the Hong Kong Stock Exchange and is exposed to foreign exchange and liquidity risks

The Fund may be suitable for those investors who

- are positive on the outlook for China and Hong Kong equities
- target to achieve long-term asset growth

Asset Allocation



Top Holdings

Holdings	Country	Weights
HSBC	Financials	9.1 %
Hutchison Whampoa	Industrials	5.8 %
Swire Pacific	Industrials	5.3 %
Jardine Matheson Holdings	Industrials	4.5 %
Sun Hung Kai Properties	Financials	4.0 %
Jardine Strategic	Industrials	3.8 %
Ping An Insurance	Financials	3.1 %
China Taiping Insurance	Financials	2.8 %
Hang Lung Group	Financials	2.6 %
China Mengniu Dairy	Consumer Goods	2.4 %

Key Information

Investment Objective	To provide capital growth primarily through investment in equity securities of Hong Kong SAR companies.
Unit NAV	HKD 275.51
Hi/Lo (Past 12 mths)	HKD 299.07 / 213.21
Unit Available	Accumulation
Fund Manager	Toby Hudson
Launch Date*	08/02
Fund Size (million)	HKD 8,920.74
Initial Charge	5.00%
Management Fee	1.5% p.a.
Financial Year End	31/12

[†] Schroder International Selection Fund is referred to as Schroder ISF
[^] The fund's since launch (26 January 1988 to 28 February 2011) return was 2,981%, while return of Hang Seng Index for the same period was 862%. Fund performance based on Class A Accumulation; NAV-NAV in HKD with net income re-invested.
^{*} Morningstar, Inc. All Rights Reserved. Morningstar Rating™ as 28 February 2011.
^{*} Effective 09/09/2002, 'Schroder Hong Kong Fund (launched on 26/01/1988) was merged into Schroder ISF Hong Kong Equity.
[^] Performance before 09/08/2002 refers to that of Schroder Hong Kong Fund.
[#] Source: Morningstar, as at 31 December 2010; average return of the funds in HKSCF Authorised - Morningstar Hong Kong Equity universe.
All fund information as at 28 February 2011. Source: Schroders, Bloomberg and Morningstar. Fund performance based on Class A Accumulation; NAV-NAV in HKD with net income re-invested. The Fund size quoted includes all classes of the Fund. Investment involves risks. Past performance is not indicative of future performance. Please refer to the relevant offering documents for fund details including risk factors. This material is issued by Schroder Investment Management (Hong Kong) Limited and has not been reviewed by the SFC.