

Schroder **BRIC Fund**

Semi-Annual Report &
Financial Statements
June 2007



Schroders

SCHRODER BRIC FUND

(a sub-fund of Schroder International Opportunities Portfolio)

Constituted under a Trust Deed in the Republic of Singapore on 3 January 2006

Review

The Schroder BRIC Fund returned 15.1% over the period from 31 Dec 2006 to 30 Jun 2007, outperforming its benchmark (MSCI BRIC Index) return of 14.9% over the same period*.

The BRIC markets fell slightly over the first quarter, as they experienced a sharp sell-off in late February and early March, when global equity markets were generally impacted by factors including concerns about the US economy. Improving investor confidence saw these markets rebound strongly in the closing weeks of the period. Fund performance was slightly ahead of the BRIC markets overall during the quarter, with our choice of investments in China and India beneficial.

The BRIC markets delivered excellent returns over the second quarter, and the Fund made strong progress against this favourable background. Broadly speaking, these economies continued to grow at a rapid pace while other positive developments included an ongoing reduction in interest rates (which is generally beneficial for stockmarkets) in Brazil.

Outlook

Looking forward, we are expecting the global economy to experience a gradual slowdown this year, followed by a pick-up in growth in 2008, which should be positive for the BRIC countries. On the negative side, we are no longer expecting a reduction in US interest rates this year (which is also likely to be beneficial for these markets).

However, investors should be encouraged by the outstanding long-term potential of the BRIC markets. These economies are generally growing at a faster rate than those in the developed world and are set to become an increasingly important part of the global economy in the coming decades. Their advantages include large reserves of natural resources and labour, while the burgeoning middle class in these countries is driving strong growth in consumer spending. The highly detailed research that we carry out in these countries and the depth of our investment resources allows us to make the most of this rich investment potential.

*Source: Morningstar, S\$, bid to bid, net dividends reinvested.

June 2007

STATEMENT OF TOTAL RETURN

For the financial period ended 30 June 2007 (Unaudited)

	Note	30 Jun 2007 \$	9 Jan 2006 to 30 Jun 2006 \$
Income			
Interest on deposits with banks	9	8,357	69,124
Less : Expenses			
Registration fees		7,388	7,084
Trustee fees	9	72,683	65,037
Valuation fees	9	35,164	31,661
Audit fees		4,246	3,582
Others		25,259	40,183
		144,740	147,547
Net loss		(136,383)	(78,423)
Net realised gain on investments		27,221,794	-
Net change in fair value of investments		6,439,546	(10,557,673)
Net foreign exchange (loss)/gain		(71,777)	183,459
Net gain/(loss) on investments		33,589,563	(10,374,214)
Total return/(deficit) for the period		33,453,180	(10,452,637)

BALANCE SHEET

As at 30 June 2007 (Unaudited)

	Notes	30 Jun 2007	31 Dec 2006
		\$	\$
ASSETS			
Portfolio of investments		241,003,847	338,444,488
Bank balances	9	2,435,958	1,696,803
Sales awaiting settlement		-	6,384,746
Amount receivable for creation of units		6,160,033	2,454,761
Total assets		249,599,838	348,980,798
LIABILITIES			
Purchases awaiting settlement		1,126,442	-
Other payables	4	3,578,237	7,280,437
Financial derivatives	5	-	6,326
Net assets attributable to unitholders	6	244,895,159	341,694,035
Total liabilities		249,599,838	348,980,798

PORTFOLIO STATEMENT

As at 30 June 2007 (Unaudited)

Primary - by Geography

	Holdings at 30 Jun 2007	Fair value at 30 Jun 2007 \$	Percentage of total net assets attributable to unitholders at 30 Jun 2007 %
Quoted			
COLLECTIVE INVESTMENT SCHEME			
Luxembourg (country of domicile) Schroder International Selection Fund - BRIC (Brazil, Russia, India, China) Class A Shares (Accumulation units)	813,015	241,003,847	98.41
Portfolio of investments		241,003,847	98.41
Other net assets		3,891,312	1.59
Net assets attributable to unitholders		244,895,159	100.00

PORTFOLIO STATEMENT

As at 30 June 2007 (Unaudited)

Primary - by Geography (continued)

Summary

	Percentage of total net assets attributable to unitholders at 30 Jun 2007 %	Percentage of total net assets attributable to unitholders at 31 Dec 2006 %
Quoted		
Luxembourg	98.41	99.05
Portfolio of investments	98.41	99.05
Other net assets	1.59	0.95
Net assets attributable to unitholders	100.00	100.00

As the Fund invests wholly into an underlying collective investment scheme, it is not meaningful to show any secondary segmentation analysis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 30 June 2007 (Unaudited)

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

Schroder BRIC Fund (“the Fund”) is a sub-fund of Schroder International Opportunites Portfolio, a Singapore umbrella fund constituted by a Trust Deed dated 3 January 2006 between Schroder Investment Management (Singapore) Ltd and HSBC Institutional Trust Services (Singapore) Limited. The Trust Deed and all supplemental deeds are governed in accordance with the laws of the Republic of Singapore.

The Fund, which was launched on 9 January 2006, invests substantially into the Schroder International Selection Fund - BRIC (Brazil, Russia, India, China) (“the underlying fund”), whose investment objective is to provide capital growth primarily through investment in equity securities of Brazilian, Russian, Indian and Chinese companies and companies that have a significant exposure to these 4 countries.

2. Significant accounting policies

(a) Basis of preparation

The financial statements have been prepared under the historical cost convention, modified by the revaluation of financial assets at fair value through profit or loss, and in accordance with the recommendations of Statement of Recommended Accounting Practice 7 “Reporting Framework for Unit Trusts” (“RAP 7”) issued by the Institute of Certified Public Accountants of Singapore.

The financial statements are prepared in Singapore dollars, which is the functional currency of the Fund.

(b) Recognition of income

Interest income on deposits is recognised on a time proportion basis using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 30 June 2007 (Unaudited)

2. Significant accounting policies (continued)

(c) Investments

Investments are classified as financial assets held at fair value through profit or loss. Purchase of investments are recognised on trade date. Investments are recorded at fair value on initial recognition, and subsequently carried at fair value. Fair value is based on the quoted net asset value of the underlying fund as at that date. Net changes in fair value of investments are included in the Statement of Total Return in the period in which they arise.

Investments are derecognised on the trade date of disposal. The resultant realised gains and losses on the sales of investments are taken up in the Statement of Total Return.

(d) Foreign currency translation

Foreign currency transactions during the period are translated into Singapore dollars at the rates of exchange ruling on the transaction dates. Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period end exchange rates of foreign currency monetary assets and liabilities, are taken to the Statement of Total Return.

(e) Derivative financial instruments

Derivatives are recognised at fair value on the date in which a derivative contract is entered into and are subsequently re-measured at their fair values. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. A derivative is carried as an asset when its fair value is positive, and as a liability when its fair value is negative. Subsequent changes in the fair value of any derivative instrument are recognised immediately in the Statement of Total Return.

Realised and unrealised gains and losses from changes in fair values of financial derivatives held for protection or enhancement of investments are taken to the Statement of Total Return as gains or losses on investments. Such gains or losses on financial derivatives held for generating or protecting income are taken to the Statement of Total Return as income gains or losses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 30 June 2007 (Unaudited)

3. Income tax

The Fund is a designated unit trust and is approved under the CPF Investment Scheme and, therefore, the following income is exempted from tax in accordance with section 35(12) of the Income Tax Act:

- (a) gains or profits derived from Singapore or elsewhere from the disposal of securities;
- (b) interest (other than interest for which tax has been deducted under section 45 of the Income Tax Act); and
- (c) dividends derived from outside Singapore and received in Singapore.

4. Other payables

	30 Jun 2007	31 Dec 2006
	\$	\$
Amount payable for cancellation of units	3,548,011	7,248,313
Accrued expenses	30,226	32,124
	3,578,237	7,280,437

5. Financial derivatives

Financial derivative contracts comprise spot foreign exchange contracts. The contracted or underlying principal amounts of these financial derivatives and their corresponding gross fair values at the balance sheet date are analysed below.

	Notional amount	Fair value liabilities
	\$	\$
<u>31 Dec 2006</u>		
Foreign exchange contracts:		
Spot	3,526,176	6,326

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 30 June 2007 (Unaudited)

6. Net assets attributable to unitholders

	30 Jun 2007 \$	9 Jan 2006 to 31 Dec 2006 \$
At the beginning of the financial period	341,694,035	-
Operations		
Change in net assets attributable to unitholders resulting from operations	33,453,180	80,712,483
Unitholders' contributions/ (withdrawals)		
Creation of units	80,615,457	518,597,428
Cancellation of units	(210,867,513)	(257,615,876)
Change in net assets attributable to unitholders resulting from net creation and cancellation of units	(130,252,056)	260,981,552
Total (decrease)/increase in net assets attributable to unitholders	(96,798,876)	341,694,035
At the end of the financial period	244,895,159	341,694,035
Units in issue (note 7)	172,382,176	276,658,107
	\$	\$
Net assets attributable to unitholders per unit	1.42	1.24

7. Units in issue

	30 Jun 2007 Units	31 Dec 2006 Units
At 1 January	276,658,107	-
Created	63,890,402	512,514,482
Cancelled	(168,166,333)	(235,856,375)
At 30 June/31 December	172,382,176	276,658,107

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 30 June 2007 (Unaudited)

8. Financial risk management

The Manager continually monitors the Fund's exposure to risk and appropriate procedures are in place to manage the risks.

Market risk

Market risk is the risk of potential adverse changes to the value of financial instruments because of changes in market conditions like interest and currency rate movements and volatility in commodity or security prices. The Manager manages the Fund's exposure to market risk through the use of risk management strategies that evaluate the effect of cash instruments and/or derivative contracts.

Liquidity risk

The Fund's liquidity risk arises mainly from redemptions of units. It may seek to invest its assets in investments that are traded in an active market and therefore easily realisable, and/or in investments where the issuer stands ready to unwind.

The Fund has the ability to borrow in the short term for the purposes of meeting redemptions and short term bridging requirements.

To ensure continuity of funding, dedicated personnel are responsible for ensuring that sufficient cash resources and liquid assets are available to meet liabilities as and when they fall due.

The Manager may from time to time employ derivatives to implement a portfolio strategy to reduce liquidity risk for the purpose of efficient portfolio management.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 30 June 2007 (Unaudited)

8. Financial risk management (continued)

Foreign currency risk

The Fund may hold assets and liabilities denominated in currencies other than Singapore dollars. Consequently, the Fund may be exposed to currency risk since the value of these assets and liabilities denominated in other currencies will fluctuate due to changes in exchange rates.

The Manager may manage the currency risks by hedging through forward currency contracts, currency futures, currency swap agreements or currency options.

The table below summarises the Fund's exposure to currency risk, denominated in the following currencies:

	As at 30 June 2007		
	SGD	USD	Total
	\$	\$	\$
Assets			
Portfolio of investments	-	241,003,847	241,003,847
Bank balances	2,435,603	355	2,435,958
Amount receivable for creation of units	6,160,033	-	6,160,033
Total assets	8,595,636	241,004,202	249,599,838
Liabilities			
Purchases awaiting settlement	-	1,126,442	1,126,442
Other payables	3,578,237	-	3,578,237
Net assets attributable to unitholders	244,895,159	-	244,895,159
Total liabilities	248,473,396	1,126,442	249,599,838

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 30 June 2007 (Unaudited)

8. Financial risk management (continued)

Foreign currency risk (continued)

	As at 31 December 2006		
	SGD \$	USD \$	Total \$
Assets			
Portfolio of investments	-	338,444,488	338,444,488
Bank balances	1,696,803	-	1,696,803
Sales awaiting settlement	-	6,384,746	6,384,746
Amount receivable for creation of units	2,454,761	-	2,454,761
Total assets	4,151,564	344,829,234	348,980,798
Liabilities			
Other payables	7,280,437	-	7,280,437
Financial derivatives	6,326	-	6,326
Net assets attributable to unitholders	341,694,035	-	341,694,035
Total liabilities	348,980,798	-	348,980,798

Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due, including transactions with counterparties such as issuers, brokers, custodians and banks.

Impairment provisions are made for losses that have been incurred by the balance sheet date, if any. The Manager has in place procedures for proper credit screening and monitoring of credit risk.

Interest rate risk

The majority of the Fund's financial assets and liabilities are non-interest bearing; as a result, the Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 30 June 2007 (Unaudited)

9. Related party disclosure

The Manager of the Fund is Schroder Investment Management (Singapore) Ltd. The Trustee is HSBC Institutional Trust Services (Singapore) Limited, a subsidiary of the HSBC Group. The management fees payable by the Fund to the Manager is currently waived by the Manager. The trustee fees and valuation fees charged by, and interest earned on deposits with, the HSBC Group are shown in the Statement of Total Return.

As at 30 June 2007, the Fund maintained with the HSBC Group, the following bank balances:

	30 Jun 2007	31 Dec 2006
	\$	\$
Current accounts	<u>2,435,958</u>	<u>1,696,803</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial period ended 30 June 2007 (Unaudited)

10. Financial ratios

	30 Jun 2007	30 Jun 2006
Expense ratio ¹ (excluding underlying fund's unaudited expense ratio)	0.10%	0.13%
Expense ratio ² (including underlying fund's unaudited expense ratio)	2.08%	2.40%
Turnover ratio ³	2.22%	-

¹ The expense ratio is computed in accordance with the revised IMAS guidelines on disclosure of expense ratios dated 25 May 2005. Brokerage and other transaction costs, interest expense, foreign exchange gains/losses, tax deducted at source or arising on income received and dividends paid to unitholders are not included in the expense ratio. The Fund does not pay performance fees.

² The expense ratio is the sum of the feeder fund's expense ratio and the underlying fund's unaudited expense ratio. The unaudited expense ratio of the underlying fund, a Luxembourg registered fund, is provided by the Administrator of the underlying fund, Schroder Investment Management (Luxembourg) S.A. There is no requirement for the expense ratio of this Luxembourg registered fund to be published or audited.

³ The turnover ratio is calculated in accordance with the formulae stated in the "Code on Collective Investment Schemes". The prior period's turnover ratio has been adjusted to zero because there is nil sales in the prior period.

REPORT TO UNITHOLDERS

30 June 2007

The following is a report on the Schroder BRIC Fund ("the Fund"):

1. For the composition of investments of the Fund as at 30 June 2007, refer to the Portfolio Statement on pages 4 and 5.
2. The Fund did not have any exposure to derivatives as at 30 June 2007.
3. The Fund was not invested in other unit trusts, mutual funds or collective investment schemes as at 30 June 2007 other than as stated in the Portfolio Statement on pages 4 and 5.
4. The Fund did not have any borrowings as at 30 June 2007.
5. The amount of subscriptions and redemptions during the period 1 January 2007 to 30 June 2007 were as follows:

\$

Subscriptions	80,615,457
Redemptions	210,867,513

6. The only security holding of the Fund as at 30 June 2007:

	Fair Value \$	% of Total Net Assets Attributable to Unitholders
Schroder International Selection Fund - BRIC (Brazil, Russia, India, China) Class A Shares (Accumulation units)	241,003,847	98.41

The only security holding of the Fund as at 30 June 2006:

	Fair Value \$	% of Total Net Assets Attributable to Unitholders
Schroder International Selection Fund - BRIC (Brazil, Russia, India, China) Class A Shares (Accumulation units)	393,796,671	98.40

REPORT TO UNITHOLDERS

30 June 2007

7. The Fund invests substantially into the Schroder International Selection Fund BRIC (Brazil, Russia, India, China) (“underlying fund”). The underlying fund is a sub-fund within the Schroder International Selection Fund (“Schroder ISF”), an open-ended investment company in Luxembourg. At a general meeting of shareholders of the Schroder ISF in Luxembourg on 26 April 2005, the Schroder ISF was converted from a fund under the UCITS I regime into a fund under the UCITS III regime. Briefly, UCITS III permits a fund to invest in a wider range of asset classes and also requires its investment manager to implement proper risk management procedures and control. Presently, notwithstanding the said conversion, there is no significant change to the underlying fund and its investment objective, policy and/or restrictions remain unaffected.

8. Turnover of Portfolio

1 January 2007 to 30 June 2007	2.22%
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Launch of Fund, 9 January 2006 to 30 June 2006	-
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9. Soft Dollar arrangements and other fees received:

Softing arrangements have been undertaken in respect of the Schroder International Selection Fund - BRIC (Brazil, Russia, India, China) (“underlying fund”).

Softing services relate essentially to research and price information, performance measurement, portfolio valuations and market analyses, all of which are believed to be helpful in the overall discharge of Schroders’ duties to clients. As such services generally benefit all of Schroders’ clients in terms of input into the investment decision making process, the soft credits utilised are not allocated on a specific client basis. Schroders further confirms that trades were executed on the best available terms and there was no churning of trades.

10. Expense Ratio (including underlying fund)

1 July 2006 to 30 June 2007	2.08%
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Launch of Fund, 9 January 2006 to 30 June 2006	2.40%
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The expense ratio does not include brokerage and other transaction costs, interest expense, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

REPORT TO UNITHOLDERS

30 June 2007

11. Related Party Transactions

Party	Services Rendered	Terms
Schroder Investment Management Limited	As Investment Manager of Schroder International Selection Fund (SISF) - BRIC (Brazil, Russia, India, China)	1.50% per annum of the NAV of the SISF - BRIC (Brazil, Russia, India, China)

12. Performance of Fund for periods ended 30 June 2007

	3 mths	6 mths	1 yr	Since Inception**
Fund	16.7%	15.1%	45.6%	29.5%
Benchmark**	16.9%	14.9%	43.5%	26.9%

* Returns of more than 1 year are annualised

Since inception figures from 17 February 2006

** Benchmark: a customised benchmark based on the relative weights of Brazil, Russia, India and China in the MSCI Emerging Markets Index

Source: Morningstar, S\$, bid to bid, net dividends reinvested.

13. The Fund invests more than 30% of its assets in Schroder International Selection Fund - BRIC (Brazil, Russia, India, China) Class A Shares (Accumulation units). The following are the key information on the underlying fund:

i. Top 10 holdings as at 30 June 2007:

	Market Value US\$	% of Total Net Assets
AO Gazprom	97,611,031	5.70
CNOOC Ltd	87,678,680	5.12
Petrobras SA	82,712,505	4.83
China Mobile (Hong Kong) Ltd	81,342,526	4.75
China Construction Bank	72,437,660	4.23
Lukoil	70,211,443	4.10
Cia Vale do Rio Doce	54,456,680	3.18
MSCI Daily TR Net Emerging Markets		
Russia USD	53,257,948	3.11
Sberbank	52,915,454	3.09
Ping An Insurance Group Co of China Ltd	52,915,454	3.09

REPORT TO UNITHOLDERS

30 June 2007

Top 10 holdings as at 30 June 2006:

	Market Value US\$	% of Total Net Assets
Petrobras SA	103,897,912	8.94
OAO Gazprom	76,041,607	6.54
MSCI Daily TR Net Emerging Markets Russia USD	75,692,083	6.51
Lukoil	60,014,764	5.16
China Mobile (Hong Kong) Ltd	55,084,556	4.74
Cia Vale do Rio Doce	54,023,139	4.65
Ping An Insurance Group Co of China Ltd	42,495,608	3.66
MSCI Daily TR Net Emerging Markets India Local	40,786,066	3.51
Surgutneftegaz	36,766,643	3.16
Cosco Pacific Ltd	35,266,700	3.03

ii. Expense Ratio

1 July 2006 to 30 June 2007 2.00%

Launch of Fund, 31 October 2005
to 30 June 2006 2.30%

The expense ratio does not include brokerage and other transaction costs, interest expense, foreign exchange gains/losses, front or back end loads arising from the purchase or sale of other funds and tax deducted at source or arising out of income received.

iii. Turnover of Portfolio

1 July 2006 to 30 June 2007 86.44%

Launch of Fund, 31 October 2005
to 30 June 2006 38.11%

