

**Schroder**

# Managed Wealth Portfolio

---

## Final Short Report

1 February 2012 to 31 January 2013



**Schroders**

# Schroder Managed Wealth Portfolio

## Review of Investment Activities

**From 31 January 2012 to 31 January 2013 the price of A Accumulation units on a selling price to selling price basis rose 6.69%. In comparison, the FTSE All Share Index, the MSCI World Index in sterling terms, the FTSE British Government Fixed All Stocks Index and the UK Interbank Seven Day Index generated total returns of 16.30%<sup>1</sup>, 16.08<sup>1</sup>, 0.33%<sup>1</sup> and 0.51%<sup>1</sup> respectively.**

**1 Source: Thomson Reuters Datastream.**

Global economic growth remained slow in 2012, hampered by slowdown in the eurozone and weak corporate and consumer spending. However, the global economy has 'muddled through', with stronger activity in emerging markets. Investors became more confident in the second half of 2012 in the belief that central banks are committed to supporting growth. Central banks in the US, Europe and Japan announced substantial measures and provided abundant liquidity. As a result, equities provided strong returns as investors started to take advantage of value in share prices, while 'safe haven' government bonds provided only modest returns.

The outlook for the world economy looks brighter now. It is hoped that a deal on the US fiscal cliff will be reached, and growth in the emerging world is likely to pick up. For the first time in three years, we can see the realistic possibility of upside surprises. But the structural government deficits in the developed world mean that the inherent instability of financial markets has not gone away.

The fund's allocation to equities, at 45%, is the same as it was a year ago. However, within that, we have increased UK equities slightly. We also added to European equities on the basis of very low valuations. We reduced government bonds, as we see no value in yields below historic, current and forecast levels of inflation. We added slightly to hedge funds; our favoured managers are expected to generate modest returns, or more if the world proves less benign than our central forecast.



**Fund Manager:**  
**Robert Farago**

# Fund Information

	Interim	Final
Accounting dates	31 July	31 January
Revenue allocation date		31 March

<b>Ongoing charges figure</b>	For the year to 31.1.13	For the year to 31.1.12
A Income units	1.67%	1.66%
A Accumulation units	1.67%	1.66%
Z Income units	0.92% <sup>1</sup>	–
Z Accumulation units	0.92% <sup>1</sup>	–

To comply with the requirements of the UCITS IV Directive the Total expense ratio has been replaced with an Ongoing charges figure. The comparative figures have been restated in line with the new requirement.

<sup>1</sup> The Ongoing charges figure is annualised based on the fees suffered during the accounting period.

## Performance Record

<b>Fund performance</b>	Net Asset Value as at 31.1.13 pence per unit	Net Asset Value as at 31.1.12 pence per unit	Net Asset Value % change
A Income units	145.52	137.01	6.21
A Accumulation units	188.10	176.67	6.47
Z Income units	52.65	–	–
Z Accumulation units	52.89	–	–

	3 months	1 year	5 years
<b>Schroder Managed Wealth Portfolio</b>	5.26%	6.69%	12.76%
FTSE All Share Index	9.31%	16.30%	31.84%
MSCI World Index	10.34%	16.08%	38.47%
FTSE British Government Fixed All Stocks Index	(1.61)%	0.33%	38.63%
UK Interbank Seven Day Index	0.12%	0.51%	6.84%

Fund Source: A Accumulation units on a selling price to selling price basis to 31.1.13.

Indices Source: Thomson Reuters Datastream, total return indices in sterling terms to 31.1.13.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

## Performance Record (continued)

Unit price range	A Income units		A Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
Year to 31 December				
2008	143.70	96.54	183.50	123.30
2009	130.00	101.60	166.80	129.70
2010	144.30	120.30	185.70	154.80
2011	148.00	128.70	190.70	165.80
2012	148.10	132.60	191.00	171.00
2013 to 31 January	146.80	141.40	189.40	182.30

	Z Income units		Z Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
Year to 31 December				
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	–	–	–	–
2012	51.52	49.83	51.52	49.83
2013 to 31 January	53.37	51.35	53.37	51.35

Net revenue	A Income units	A Accumulation units
Year to 31 December	pence per unit	pence per unit
2008	0.7021	0.8922
2009	0.5051	0.6453
2010	0.2799	0.3635
2011	0.2348	0.3000
2012	0.0889	0.1142
2013 to 31 January	0.5091	0.5735

	Z Income units	Z Accumulation units
Year to 31 December	pence per unit	pence per unit
2008	–	–
2009	–	–
2010	–	–
2011	–	–
2012	Nil	Nil
2013 to 31 January	0.2362	0.2362

# Portfolio Information

	% of net assets as at 31.1.13	% of net assets as at 31.1.12
<b>Spread of investments</b>		
Guernsey	18.96	16.49
Ireland	8.27	7.72
Jersey	2.23	1.52
Luxembourg	15.08	18.03
United Kingdom	35.43	31.25
Sterling Denominated Bonds	8.84	10.83
US Dollar Denominated Bonds	4.14	2.96
Gold	6.09	8.81
Net other assets	0.96	2.39

	% of net assets as at 31.1.13		% of net assets as at 31.1.12
<b>Major holdings</b>			
Schroder Private Equity Fund of Funds III B	7.92	Gold Bullion Securities 0% Undated Notes	8.81
Schroder QEP US Core Fund I Income Units	6.59	Schroder Private Equity Fund of Funds III B	6.58
BH Macro	6.36	BH Macro	6.52
Gold Bullion Securities 0% Undated Notes	6.09	Schroder QEP US Core Fund I Income Units	5.87
Schroder UK Alpha Plus Fund A Income Units	5.96	Schroder International Selection Fund Emerging Markets Debt Absolute Return C Distribution GBP Hedged	5.23
Schroder International Selection Fund QEP Global Quality C Distribution USD	5.23	Schroder UK Alpha Plus Fund A Income Units	4.95
Treasury 1.25% Index Linked Stock 2017	4.94	Treasury 1.25% Index Linked Stock 2017	4.80
Schroder European Alpha Plus Fund A Income Units	4.59	Schroder International Selection Fund QEP Global Quality C Distribution USD	4.74
Artemis UK Special Situations Fund Accumulation Units	4.21	Schroder International Selection Fund Global Energy C Distribution GBP	4.17
US Treasury 0.625% Stock 2021	4.14	BlueCrest AllBlue Fund	3.91

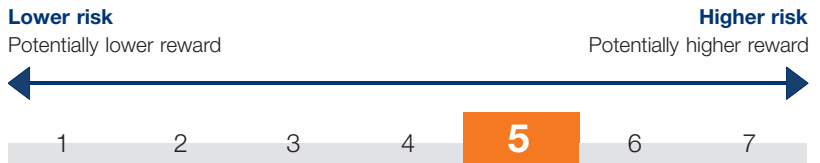


## Investment Objective & Policy

The fund's investment objective is to provide a total return primarily through investment in collective investment schemes as well as directly held transferable securities, derivatives, cash, deposits, warrants and money market instruments. The fund may also gain exposure to alternatives including hedge funds, private equity and property through investment in transferable securities which themselves invest in these asset classes.

## Risk Profile

### Risk and reward indicator



The risk category is based upon the fund's risk target and there is no guarantee that the fund will achieve it.

The fund is in this category because it can take higher risks in search of higher rewards and its price may rise and fall accordingly.

The fund's risk category is not guaranteed to remain fixed and may change over time.

A fund in the lowest category does not mean a risk free investment.

### Specific risks

The fund invests in assets which are exposed to currencies other than sterling. Exchange rates may cause the value of overseas investments and the revenue from them to rise or fall.

The fund may invest in derivatives and invests in alternative investments (hedge funds, property funds and private equity) which involves a higher degree of risk and can be more volatile. They should only be considered as a long term investment.

For these reasons, the purchase of units should not normally be regarded as a short term investment.

## Report & Accounts

This document is a short report for Schroder Managed Wealth Portfolio for the year ended 31 January 2013. The long form Report & Accounts for the fund are available on our website [www.schroders.co.uk](http://www.schroders.co.uk) or upon written request to Schroders, FREEPOST, RLTZ-CHSY-HBUT, PO Box 1102, Chelmsford, Essex CM99 2XX.

## Other information

With effect from 31 December 2012 the initial management charge was removed for A Income units and A Accumulation units.

The information contained in this report is designed to enable unitholders to make an informed judgement on the activities of the fund during the period it covers and the results of those activities at the end of the period. For more information about the activities and performance of the fund during this and previous periods, please contact the Manager.

The Prospectus and the Key Investor Information Document are available on request or can be downloaded from our website **[www.schroders.co.uk](http://www.schroders.co.uk)**.

Schroders is required by the European Union Savings Directive to report payments to HM Revenue and Customs that are made by the fund to investors living in other European Union member states.

**Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.**

For investors' security, calls to Schroder Investor Services may be recorded. **Manager:** Schroder Unit Trusts Limited, 31 Gresham Street, London, EC2V 7QA. Authorised and regulated by the Financial Services Authority. **Trustee:** J.P. Morgan Trustee and Depositary Company Limited, Chaseside, Bournemouth, BH7 7DA. Authorised and regulated by the Financial Services Authority. **Independent Auditors:** PricewaterhouseCoopers LLP, Erskine House, 68-73 Queen Street, Edinburgh EH2 4NH.

**For further literature please contact Schroder Investor Services on 0800 718 777 or at [investorservices@schroders.com](mailto:investorservices@schroders.com), or visit our website at [www.schroders.co.uk](http://www.schroders.co.uk).**



