

Schroder

QEP Global Active Value Fund

Final Short Report

21 June 2012 to 20 June 2013



Schroders

Schroder QEP Global Active Value Fund

Review of Investment Activities

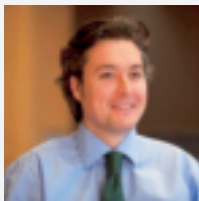
From 20 June 2012 to 20 June 2013 the price of I Accumulation units on a dealing price to dealing price basis rose 22.70%. In comparison, the MSCI World Index generated a net return of 20.48%¹ in sterling terms.

1 Source: Thomson Reuters Datastream.

Global equity markets registered a strong advance over the period as US economic indicators improved and the risk of a crisis event in the eurozone receded. European Central Bank President Mario Draghi pledged in July 2012 to do 'whatever it takes' to preserve the euro. Japanese shares rallied after Prime Minister Shinzo Abe promised to reanimate the economy. Sentiment deteriorated late in the period on concerns the US Federal Reserve may taper its quantitative easing programme.

The Schroder QEP Global Active Value Fund posted positive returns and outperformed the benchmark. The financials sector was the top contributor to fund returns, driven by strong stock selection. Information technology also contributed, thanks to the fund's underweight allocation as well as strong stock selection. Weaker stock selection in the materials, industrials and consumer discretionary sectors detracted from performance. By region, the US was the biggest contributor to fund returns thanks to good stock selection, while emerging Asia was the main detractor.

Regionally, we remain significantly underweight the more expensive US equity market, with a higher allocation in most other regions. The strategy remains underweight US technology. We have been buying into selected consumer discretionary and industrials stocks. We remain overweight resources. Financials remain cheap but the valuation part of their recovery has been partly discounted. Further progress will require improving earnings and fundamentals. Our defensives exposure remains biased towards health care while we are underweight utilities and consumer staples. Within telecommunications we favour emerging markets as developed market telecommunications look like value traps.



Fund Manager:
Justin Abercrombie

Fund Information

	Interim	Final
Accounting dates	20 December	20 June
Revenue allocation date		20 August

Ongoing charges figure	For the year to 20.6.13	For the year to 20.6.12
A Income units	1.68%	1.69%
A Accumulation units	1.68%	1.69%
I Income units	0.78%	0.79%
I Accumulation units	0.78%	0.79%
X Income units ¹	0.03%	0.04%
X Accumulation units ¹	0.03%	0.04%
Z Income units	0.93%	0.94% ^{2 3}
Z Accumulation units	0.93%	0.94% ^{2 3}

1 The annual management charge for X Income units and X Accumulation units is invoiced directly to unitholders and is therefore not included in the Ongoing charges figure for those unit classes.

2 The Ongoing charges figure is annualised based on the fees suffered during the accounting period.

3 The Ongoing charges figure for the comparative year has been restated.

Performance Record

Fund performance	Net Asset Value as at 20.6.13 pence per unit	Net Asset Value as at 20.6.12 pence per unit	Net Asset Value % change
A Income units	59.19	50.07	18.21
A Accumulation units	66.25	55.11	20.21
I Income units	59.11	49.99	18.24
I Accumulation units	72.87	60.08	21.29
X Income units	62.11	52.51	18.28
X Accumulation units	80.90	66.22	22.17
Z Income units	58.97	50.64	16.45
Z Accumulation units	61.33	50.64	21.11

	3 months	1 year	5 years
Schroder QEP Global Active Value Fund	(0.49)%	22.70%	46.13%
MSCI World Index	(2.11)%	20.48%	42.09%

Fund Source: I Accumulation units on a dealing price to dealing price basis to 20.6.13.

Index Source: Thomson Reuters Datastream, net return in sterling terms to 20.6.13.

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 dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
Year to 31 December				
2008	53.44	32.69	53.42	33.04
2009	50.89	30.46	52.77	30.78
2010	57.79	47.78	61.40	50.38
2011	58.88	45.89	62.91	49.63
2012	55.49	48.84	60.01	52.82
2013 to 20 June	65.51	54.58	72.10	60.08

	I Income units		I Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
Year to 31 December				
2008	54.58	32.75	56.31	34.93
2009	51.03	30.56	56.34	32.60
2010	57.99	47.73	66.01	53.83
2011	59.27	45.95	68.01	53.77
2012	55.78	48.80	65.47	57.54
2013 to 20 June	65.94	54.76	79.25	65.81

	X Income units		X Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
Year to 31 December				
2008	57.63	34.46	60.45	37.61
2009	53.77	32.23	61.11	35.17
2010	61.15	50.15	72.03	58.45
2011	62.66	48.37	74.50	58.97
2012	58.92	51.26	72.43	63.40
2013 to 20 June	69.72	57.73	87.94	72.82

	Z Income units		Z Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
Year to 31 December				
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	50.49	46.49	50.49	46.49
2012	55.19	48.50	55.15	48.50
2013 to 20 June	66.76	55.47	66.70	55.43

Performance Record (continued)

Net revenue	A Income units	A Accumulation units	I Income units	I Accumulation units
Year to 31 December	pence per unit	pence per unit	pence per unit	pence per unit
2008	0.4718	0.4723	1.5828	1.6007
2009	1.0691	1.0717	1.3493	1.4431
2010	1.1981	1.2465	1.5985	1.7621
2011	1.0217	1.1066	1.5276	1.7368
2012	0.8853	0.9594	1.3560	1.5876
2013 to 20 June	1.0680	1.1215	1.5245	1.8308

	X Income units	X Accumulation units	Z Income units	Z Accumulation units
Year to 31 December	pence per unit	pence per unit	pence per unit	pence per unit
2008	1.9845	2.1005	–	–
2009	1.6778	1.8318	–	–
2010	1.9873	2.2265	–	–
2011	2.0236	2.3820	Nil	Nil
2012	1.8133	2.2122	Nil ¹	Nil ¹
2013 to 20 June	2.0245	2.5528	2.4101	2.4101

¹ There was no distribution for Z Income units and Z Accumulation units as the total amount distributable was below the de minimis.

Portfolio Information

Spread of investments	% of net assets as at 20.6.13	% of net assets as at 20.6.12		% of net assets as at 20.6.13	% of net assets as at 20.6.12
China	0.43	0.71	Argentina	0.00	0.03
Hong Kong	1.26	1.37	Bermuda	2.37	1.84
Indonesia	0.40	0.31	Brazil	0.62	0.74
Japan	10.62	10.20	British Virgin Islands	0.00	0.01
Kazakhstan	0.15	0.00	Canada	2.89	3.08
Malaysia	0.07	0.08	Cayman Islands	0.85	0.77
Marshall Islands	0.05	0.00	Chile	0.00	0.04
Philippines	0.00	0.22	Mexico	0.04	0.04
Singapore	0.79	1.67	Puerto Rico	0.01	0.02
South Korea	2.07	1.80	United States	34.30	36.28
Taiwan	1.70	2.52	Austria	0.57	0.38
Thailand	0.27	0.63	Belgium	0.85	0.71
Australia	2.79	3.55	Cyprus	0.06	0.01
New Zealand	0.02	0.04	Czech Republic	0.21	0.32

Portfolio Information (continued)

Spread of investments	% of net assets as at 20.6.13	% of net assets as at 20.6.12		% of net assets as at 20.6.13	% of net assets as at 20.6.12
Denmark	0.31	0.31	Sweden	1.13	1.45
Finland	0.93	0.71	Switzerland	2.47	2.51
France	4.35	3.28	Turkey	0.48	0.68
Gabon	0.02	0.02	United Kingdom	11.39	11.14
Germany	2.83	2.30	Euro Denominated Derivatives	0.01	0.00
Greece	0.11	0.00	Japanese Yen Denominated Derivatives	0.03	0.00
Guernsey	0.00	0.01	Norwegian Krone Denominated Derivatives	0.02	0.00
Hungary	0.05	0.05	South African Rand Denominated Derivatives	0.02	(0.03)
Ireland	0.33	0.39	Turkish Lira Denominated Derivatives	0.02	(0.03)
Isle of Man	0.00	0.01	US Dollar Denominated Derivatives	0.06	0.02
Israel	1.71	0.80	Net other assets	0.61	1.57
Italy	1.87	1.13			
Jersey	0.35	0.05			
Luxembourg	0.41	0.26			
Netherlands	0.83	1.40			
Norway	1.65	1.92			
Poland	0.76	0.43			
Portugal	0.10	0.03			
Russia	0.89	0.47			
South Africa	1.14	0.95			
Spain	1.73	0.80			

Major holdings	% of net assets as at 20.6.13		% of net assets as at 20.6.12
HSBC Holdings	0.91	AstraZeneca	0.75
Intel	0.79	Roche Holding	0.73
Teva Pharmaceutical Industries ADR	0.77	Pfizer	0.73
Microsoft	0.75	Lorillard	0.73
Eli Lilly	0.75	GlaxoSmithKline	0.73
AstraZeneca	0.74	Bristol-Myers Squibb	0.72
Medtronic	0.73	Eli Lilly	0.72
Abbott Laboratories	0.72	Merck	0.72
Sanofi-Aventis	0.69	Sanofi-Aventis	0.67
AbbVie	0.69	Microsoft	0.66

Investment Objective & Policy

The fund's investment objective is to provide a total return primarily through active investment in a value style biased portfolio of equity and equity related securities of companies worldwide.

In order to achieve the objective, the Investment Manager will invest in a broadly diversified portfolio of securities selected through the application of quantitative investment techniques.

The fund may also invest in a wide range of investments including transferable securities, derivatives, cash, deposits, collective investment schemes, warrants and money market instruments.

Risk Profile

Risk and reward indicator



The risk category was calculated using historical performance data and may not be a reliable indicator of the fund's future risk profile.

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 invests in less developed markets which are generally less well regulated than the UK. They may be less liquid and may have less reliable custody arrangements.

The fund invests in emerging markets and the Far East. This involves a high degree of risk and should be seen as long term in nature.

The fund is index unconstrained and has the potential for greater volatility.

The fund uses derivatives for specific investment purposes. This involves a higher degree of risk and may lead to a higher volatility in the unit prices of the fund.

Risk Profile (continued)

The fund may invest in volatility index futures, although their use is intended to reduce volatility this may not always be the consequence and certain situations can cause greater volatility.

The fund entered into stock lending arrangements. There was a risk that the borrower may have become insolvent or refused to honour its obligations to return the securities causing a delay to the fund in recovering its securities and possibly incurring a loss. Although the fund is permitted to stock lend it is not the intention to do so in the future.

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 the Schroder QEP Global Active Value Fund for the year ended 20 June 2013. The long form Report & Accounts for the fund are available on our website 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, the Key Investor Information Document and details of investment charges and costs are available on request or can be downloaded from our website **www.schroders.co.uk**.

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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 Conduct Authority. **Trustee:** J.P. Morgan Trustee and Depositary Company Limited, Chaseside, Bournemouth, BH7 7DA. Authorised and regulated by the Financial Conduct 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, or visit our website at www.schroders.co.uk.

