

# CAZENOVE MULTI-MANAGER UNIT TRUSTS



Annual Short Report  
28<sup>th</sup> February 2014



# Cazenove Multi-Manager Unit Trusts

## Annual short report

### Contents

Introduction	1
General information*	1
Cazenove Multi-Manager Diversity Tactical Fund	3
Cazenove Multi-Manager Diversity Fund	8
Cazenove Multi-Manager Global Fund	13
Cazenove Multi-Manager UK Growth Fund	18
Cazenove Diversity Income Fund	23
Cazenove Multi-Manager Diversity Balanced Fund	28
Regulatory information and risk warnings	32
Stamp duty reserve tax	32
Other information*	33

\* These, together with the investment objective and fund policy and the Investment Manager's report for each Trust, collectively comprise the Manager's report.



## Introduction

On 23 May 2002, Cazenove Investment Fund Management Limited launched a range of tax efficient products directed at the clients of professional advisers. Additional products were added to this range on 15 December 2010 and 2 April 2012. The Cazenove Multi-Manager Unit Trusts ("the Trusts") are a multi-manager product now comprising six different fund of funds which invests in collective investment schemes such as unit trusts and open ended investment companies ("OEICs"). Each of the Trusts within the Cazenove Multi-Manager Unit Trusts has its own investment objective. The investment selection is unbiased and will include a range of different fund providers. This approach gives investors access to some of the most experienced investment professionals in the world.

Each unit trust is a separate legal entity and is not connected to any other unit trust. The financial statements of the six unit trusts are included in one document for the purpose of convenience.

## General information

### Cazenove Multi-Manager Unit Trusts

Cazenove Multi-Manager Unit Trusts are managed by Cazenove Investment Fund Management Limited and are a multi-manager product comprising six different funds of funds, each of which has its own investment objective and policies. Their investment and borrowing powers and restrictions are prescribed by the Financial Conduct Authority's Collective Investment Schemes Sourcebook ("the COLL"). The Trusts are:

**Cazenove Multi-Manager Diversity Tactical Fund**

**Cazenove Multi-Manager Diversity Fund**

**Cazenove Multi-Manager Global Fund**

**Cazenove Multi-Manager UK Growth Fund**

**Cazenove Diversity Income Fund**

**Cazenove Multi-Manager Diversity Balanced Fund**

This document shows the results of all the Trusts.

## Trust status

All of the Trusts are Authorised Unit Trust schemes operating under Chapter 5 of the COLL. The Cazenove Multi-Manager Diversity Fund, Multi-Manager UK Growth Fund, Multi-Manager Global Fund and Multi-Manager Diversity Tactical Fund were established by Trust Deeds each dated 29 April 2002. The Cazenove Diversity Income Fund was established by Trust Deed dated 19 November 2010. The Cazenove Diversity Balanced Fund was established by Trust Deed dated 16 March 2012. The Cazenove Multi-Manager Diversity Tactical Fund, Multi-Manager Diversity Fund, Multi-Manager Global Fund and Multi-Manager UK Growth Fund were authorised by the Financial Conduct Authority ("FCA") on 2 May 2002. The Diversity Income Fund was authorised by the FCA on 22 November 2010. The Diversity Balanced Fund was authorised by the FCA on 16 March 2012. All of the Trusts are authorised 'fund of funds', as stated in the Trust Deed, in line with the requirements of the COLL.

## Significant events

On 1 November 2013 Cazenove Multi-Manager Diversity Tactical Fund, Cazenove Multi-Manager Diversity Fund, Cazenove Multi-Manager Global Fund, Cazenove Multi-Manager UK Growth Fund, Cazenove Diversity Income Fund and Cazenove Multi-Manager Diversity Balanced Fund all launched a new S Income share class. The new share classes were created due to demand by the Schroder Wealth Management division.

Cazenove Capital Holdings Limited ("Cazenove Capital") was the ultimate holding company of Cazenove Investment Fund Management Limited, the Manager of the Multi-Manager Unit Trusts prior to its acquisition by Schroders plc ("Schroders") on 2 July 2013.

On 25 March 2013, the boards of Schroders and Cazenove Capital announced that they had reached agreement on the terms of the recommended acquisition by Schroders of the entire issued and to be issued share capital of Cazenove Capital by way of Scheme of Arrangement.

All regulatory approvals were obtained, and the Royal Court of Jersey sanctioned the Scheme of Arrangement on 1 July 2013. The Scheme of Arrangement became effective on 2 July and an announcement was made on that date.

### Significant events (continued)

In order to integrate the two firms, we are making a number of changes to our combined business and trust range. With effect from 24 March 2014, the Cazenove Capital funds are changing names to:

- Cazenove Multi-Manager Diversity Tactical Fund - Schroder MM Diversity Tactical Fund
- Cazenove Multi-Manager Diversity Fund - Schroder MM Diversity Fund
- Cazenove Multi-Manager Global Fund - Schroder MM International Fund
- Cazenove Multi-Manager UK Growth Fund - Schroder MM UK Growth Fund
- Cazenove Diversity Income Fund - Schroder MM Diversity Income Fund
- Cazenove Multi-Manager Diversity Balanced Fund- Schroder MM Diversity Balanced Fund

We are also renaming the unit class names for some of the funds (e.g. X classes for funds of the Cazenove Multi-Manager Unit Trusts will be renamed as Z classes). For further information on how the unit classes are named and fees that apply please see the details schedule in the investors letter to unitholders.

To ensure that the quality of administration is consistent across all Schroder funds, we are making some changes to the service providers behind the funds. These changes will have no impact on the way the funds are managed and are simply part of a process Schroders is going through to simplify our operations.

### Manager

Cazenove Investment Fund Management Limited - Schroder Unit Trusts Limited

### ISA Plan Manager

Cazenove Investment Fund Management Limited - Schroder Unit Trusts Limited

### Investment Manager

Cazenove Investment Fund Management Limited - Schroder Investment Management Limited

### Transfer Agent

JP Morgan Europe Limited - International Financial Data Services Limited

### Registrar

JP Morgan Europe Limited - Schroder Unit Trusts Limited

## Investment objective and fund policy

The Cazenove Multi-Manager Diversity Tactical Fund ("the Trust") seeks to provide capital appreciation through exposure to a diverse range of asset types including equities, bonds, fixed interest, cash and any other permitted assets deemed appropriate to meet the investment objective.

The Trust will invest mainly in global markets primarily through authorised unit trusts, open-ended investment companies, exchange traded funds and other collective investment schemes across several investment management groups.

The Trust will follow a tactical asset allocation strategy through which it will seek to achieve its objective by seeking to increase returns and reduce downside risk by making tactical adjustments to the Trust's holdings based on market conditions.

Where appropriate the Trust may invest in alternative investments including hedge funds, private equity funds and indirectly in commodities and property investment. It may also in certain circumstances hold individual transferable securities, money market instruments and/or deposits.

The Trust may utilise derivatives and forward transactions for the purpose of efficient portfolio management.

The asset allocation as at 28 February 2014 was as follows:

	%		%
Equities	47.80	Fixed Income	11.68
Alternatives	11.37	Net other assets	29.15

## Investment Manager's report

From 28 February 2013 to 28 February 2014 the price of A Accumulation units on a dealing price to dealing price basis rose 9.89%. In comparison, the Trust's benchmark generated a total return of 9.49%.

Global equity markets made strong gains over the 12 month period, as central banks remained supportive and the global economic recovery gained traction. Developed markets outperformed their emerging peers, led by continental Europe and US, and the MSCI World index gained 21.7% (in USD terms). Meanwhile bond markets lost ground as investors adjusted to the prospect of a tapering of US quantitative easing and core sovereign bond yields rose.

Our strategy for much of 2013 was to concentrate on those areas we felt had 'catch up' ability. Predominantly this meant selective, potentially under-earning, cyclical areas in developed equity markets, across the likes of Europe and Japan.

This strategy served us well through 2013 and in recent months we have been paring back risk in the portfolio by reducing exposure to early cyclical areas of UK and European equities.

Significant sales during the period included Fidelity Special Situations Fund and Jupiter Absolute Return Fund, while purchases included Majedie UK Focus Fund, GLG Japan CoreAlpha Fund (GBP) and Morgan Stanley Diversified Alpha Plus Fund.

As equity markets continue to hit all time highs we think it prudent to focus on protecting investors' capital. To this end, a more balanced portfolio will serve us well should market conditions become more turbulent.

A considerable underweight exposure to fixed income also helped performance during the period. Although we remain on the lookout for tactical opportunities in fixed income, we generally remain of the view that the bond market is very expensive and it is sensible to be underweight bonds of all types. We maintain a large cash position.

## Directors' statement

This report was approved for publication on 15 April 2014.

**C.E. Helmstetter**

**Directors of Schroder Unit Trusts Limited**

**J.M. Cardew**

## Trust facts

	Accounting date	Distribution payment date
Interim	31 August	31 October
Final	28 February	30 April

## Performance record

	28.02.14	28.02.13	Capital return % change	Total return % change
FTSE All Share Index (£)*	3,666.66	3,349.39	9.47	13.29
FTSE All World Ex UK Index (£)*	422.67	399.56	5.78	8.43
FTSE British Govt. All Stocks Index (£)*	2,855.18	2,879.64	(0.85)	(0.85)
HFRI Fund of Funds Composite (£)^**	3,313.91	3,398.60	-	(2.57)
UK IPD Property Index^** (£)	969.52	860.85	-	12.62
Benchmark (Calculated in-house) (£)***	-	-	-	9.49

\* Source: DATASTREAM. Total return includes reinvested income; capital return excludes income.

^ Source: Website (www.hedgefundresearch.com).

\*\* Due to the nature of the pricing of these investments, the indices are subject to change.

\*\*\* Benchmark description: 50% FTSE All Share, 30% FTSE All World Ex UK, 5% FTSE British Govt. All Stocks, 10% HFRI, 5% UK IPD.

	28.02.14 p	28.02.13 p	Unit price % change	Total return % change (net of tax)
A Income****	98.71	89.83	9.89	9.89
A Accumulation****	101.09	91.99	9.89	9.89
S Income	50.83	50.00*	1.66	1.66
X Income	99.46	90.30	10.14	10.41
X Accumulation	100.01	90.55	10.45	10.45

\*\*\*\* Source: Lipper. Total return includes net income reinvested (mid-mid, basic tax).

The Income and Accumulation unit classes changed name to A Income and A Accumulation, respectively, on 1 April 2010.

X Income units were first issued on 1 April 2010 at a price of 71.69p

X Accumulation units were first issued on 19 April 2012 at a price of 77.04p.

\*S Income units were first issued on 1 November 2013 at a price of 50.00p.

## Ongoing charges figure

An ongoing charges figure ("OCF") is shown which takes into account the management fee and all other operating expenses over the year and is expressed as a percentage of average weekly assets over the same period. The OCF calculation includes a synthetic adjustment for the year to 28 February 2014 of 0.60% (28 February 2013: 0.55%) in respect of investments in other funds. The OCF replaces the total expense ratio ("TER") in accordance with the IMA's guidelines issued in October 2011. CESR guidelines on the methodology for the calculation of the OCF have been adopted.

	1.04.14 <sup>1</sup> %	28.02.14 %	28.02.13 %
A Income	1.81	1.74	1.73
A Accumulation	1.81	1.74	1.73
S Income	1.11	1.04	-
X Income	1.31	1.24	1.23
X Accumulation	1.31	1.24	1.23

<sup>1</sup> As detailed on page 2, the integration of Cazenove Capital Holdings with Schroders plc has resulted in a change to the fees on the Cazenove funds to bring them into line with the fees charged on Schroders' existing UK range.

With effect from 1 April 2014, an administration fee of 0.15% pa will apply to the fund, resulting in an OCF as detailed above.



## Net asset value record

Date	Net asset value £	Number of units in issue	Net asset value per unit p
<b>28 February 2014</b>			
A Income	12,803,676	12,975,042	98.68
A Accumulation	52,813,818	52,261,129	101.06
S Income	1,523	3,000	50.77
X Income	3,898,685	3,921,134	99.43
X Accumulation	28,236,036	28,241,753	99.98
	<b>97,753,738</b>	<b>97,402,058</b>	
<b>28 February 2013</b>			
A Income	11,429,457	12,712,734	89.91
A Accumulation	30,244,407	32,849,794	92.07
X Income	84,144	93,309	90.18
X Accumulation	2,058,950	2,271,809	90.63
	<b>43,816,958</b>	<b>47,927,646</b>	
<b>29 February 2012</b>			
A Income	11,676,411	15,014,667	77.77
A Accumulation	26,269,564	32,987,462	79.63
X Income	54,340	69,720	77.94
	<b>38,000,315</b>	<b>48,071,849</b>	

The Trust issues income and accumulation units.

The Income and Accumulation unit classes changed name to A Income and A Accumulation, respectively, on 1 April 2010.

S Income units were first issued on 1 November 2013 at a price of 50.00p.

X Income units were first issued on 1 April 2010 at a price of 71.69p.

X Accumulation units were first issued on 19 April 2012 at a price of 77.04p.

## Trust performance summary

Calendar year	Lowest price p	Highest price p	Distribution per unit p
<b>A Income</b>			
2014*	96.70	99.41	0.0000
2013	82.49	97.84	0.0000
2012	72.53	82.25	0.2836
2011	69.28	76.28	0.0204
2010 <sup>†</sup>	66.69	74.68	0.0000
2009	51.89	69.02	0.3849
<b>A Accumulation</b>			
2014*	99.03	101.80	0.0000
2013	84.47	100.20	0.0000
2012	74.01	84.23	0.2848
2011	70.66	77.81	0.0206
2010 <sup>†</sup>	68.03	76.17	0.0000
2009	52.94	70.31	0.3893
<b>S Income</b>			
2014*	49.77	51.14	0.0313
2013**	49.60	50.32	-
<b>X Income</b>			
2014*	97.40	100.10	0.0000
2013	82.86	98.50	0.2232
2012	72.81	82.62	0.6296
2011	69.59	76.58	0.3781
2010 <sup>†</sup>	67.69	74.95	0.0000
<b>X Accumulation</b>			
2014*	97.94	100.66	0.0000
2013	83.09	99.05	0.2416
2012	73.43	82.85	0.2230

\* To 28 February 2014.

\*\*The highest and lowest price for S Income is for the period 1 November 2013 to 31 December 2013.

The Income and Accumulation unit classes changed name to A Income and A Accumulation, respectively, on 1 April 2010.

S Income units were first issued on 1 November 2013 at a price of 50.00p.

X Income units were first issued on 1 April 2010 at a price of 71.69p.

X Accumulation units were first issued on 19 April 2012 at a price of 77.04p.

<sup>†</sup> The unit class did not pay a distribution during the year.

Please remember that past performance is not a guide to future performance and it might not be repeated.

## Portfolio summary

	As at 28.02.14		As at 28.02.13	
	Market value £	Net assets %	Market value £	Net assets %
Equities	46,725,488	47.80	21,924,329	50.03
Fixed income	11,422,733	11.68	775,523	1.77
Alternatives	11,112,679	11.37	7,882,688	18.00
<b>Net investment assets</b>	<b>69,260,900</b>	<b>70.85</b>	<b>30,582,540</b>	<b>69.80</b>
<b>Net other assets</b>	<b>28,492,838</b>	<b>29.15</b>	<b>13,234,418</b>	<b>30.20</b>
<b>Net assets attributable to unitholders</b>	<b>97,753,738</b>	<b>100.00</b>	<b>43,816,958</b>	<b>100.00</b>

## Top ten holdings

	Percentage of net assets %		Percentage of net assets %
As at 28.02.14		As at 28.02.13	
Schroder Sterling Liquidity Plus Fund (I Accumulation)	10.88	Fidelity Special Situations Fund (Accumulation)	13.61
Majedie UK Focus Fund (X Income)	8.02	GLG Japan CoreAlpha Equity Fund (I H USD Accumulation)	6.95
GLG Japan CoreAlpha Fund (Professional Income)	6.95	Jupiter Absolute Return Fund (Accumulation)	6.50
Invesco European Equity Fund (Z Accumulation)	5.19	Cazenove European Fund (X Income)	5.57
Majedie Tortoise Fund (G GBP Accumulation)	4.89	Legg Mason Global Fund (Accumulation)	5.22
BlackRock Asian Dragon Fund (A GBP Distribution)	4.84	BlackRock Asian Dragon Fund (A GBP Distribution)	4.80
Morgan Stanley Diversified Alpha Plus Fund (ZH GBP Accumulation)	3.44	Artemis European Growth Fund (R Accumulation)	4.60
Findlay Park American Fund (USD)	2.93	OEI MAC (B GBP Income)	4.54
Legal & General Global Health & Pharmaceutical Index Trust (I Distribution)	2.88	JPM Global Consumer Trends Fund (A Income)	3.69
Franklin Templeton UK Smaller Companies Fund (Accumulation)	2.66	Eclectica Fund (I GBP)	3.50

## Investment objective and fund policy

The Cazenove Multi-Manager Diversity Fund's ("the Trust") aim is to achieve long term capital growth in excess of inflation from a portfolio invested across a broad range of asset classes. The Trust is intended to provide consistent rates of return with lower risk than more traditional approaches to portfolio management which tend to be largely dependent on the performance of equities.

The investment policy of the Trust is to invest mainly in collective investment schemes but, where it is considered appropriate, investment may also be made in closed ended funds, individual transferable securities, money market instruments and/or derivative and forward transactions.

The Trust may also seek investment diversification by obtaining exposure to alternative asset classes including hedge funds, private equity, commodities and indirectly in property through investment in collective investments, transferable securities and other securities and instruments in which the Trust may invest.

The Trust may utilise derivatives for the purposes of efficient portfolio management. Generally the Manager intends the Trust to remain fully invested subject to the holding of cash or near cash.

The asset allocation as at 28 February 2014 was as follows:

	%		%
Alternatives	28.10	Equites	26.98
Fixed Income	16.36	Net other assets	28.56

## Investment Manager's report

From 28 February 2013 to 28 February 2014 the price of A Accumulation units on a dealing price to dealing price basis rose 7.14%. In comparison, the Trust's benchmark (CPI +4% pa) generated a total return of 5.82%.

Global equity markets made strong gains over the 12 month period, as central banks remained supportive and the global economic recovery gained traction. Developed markets outperformed their emerging peers, led by continental Europe and US, and the MSCI World index gained 21.7% (in USD terms). Meanwhile bond markets lost ground as investors adjusted to the prospect of a tapering of US quantitative easing and core sovereign bond yields rose.

Our strategy for much of 2013 was to concentrate on those areas we felt had 'catch up' ability. Predominantly this meant selective, potentially under-earning, cyclical areas in developed equity markets, across the likes of Europe and Japan.

This strategy served us well through 2013 and in recent months we have been paring back risk in the portfolio by reducing exposure to early cyclical areas of UK and European equities.

Significant sales during the period included J O Hambro UK Opportunities Fund and Jupiter Absolute Return Fund, while purchases included RWC Income Opportunities Fund, Majedie UK Equity Fund and BlackRock Gold and General Fund.

As equity markets continue to hit all time highs we think it prudent to focus on protecting investors' capital. To this end, a more balanced portfolio will serve us well should market conditions become more turbulent.

A considerable underweight exposure to fixed income also helped performance during the period. Although we remain on the lookout for tactical opportunities in fixed income, we generally remain of the view that the bond market is very expensive and it is sensible to be underweight bonds of all types. We maintain a large cash position.

## Directors' statement

This report was approved for publication on 15 April 2014.

**C.E. Helmstetter**

**Directors of Schroder Unit Trusts Limited**

**J.M. Cardew**

## Trust facts

	Accounting date	Distribution payment date
Interim	31 August	31 October
Final	28 February	30 April

## Performance record

	28.02.14	28.02.13	Total return % change
CPI*	127.36	125.20	1.72
Benchmark (Composite)**	-	-	5.82

\* Source: DATASTREAM. Total return includes reinvested income; capital return excludes income.

\*\* Benchmark description: CPI plus 4% calculated on a monthly basis.

	28.02.14 p	28.02.13 p	Unit price % change	Total return % change (net of tax)
A Income***	90.24	84.45	6.86	7.16
A Accumulation***	99.13	92.52	7.14	7.14
B Income***	97.97	91.74	6.79	6.89
B Accumulation***	98.33	92.00	6.88	6.88
C Accumulation***	99.55	92.82	7.25	7.25
S Income***	50.50	50.00*	1.00	1.00
X Income***	90.91	84.98	6.98	7.66
X Accumulation***	93.48	86.82	7.67	7.67

\*\*\* Source: Lipper. Total return includes net income reinvested (mid-mid, basic tax).

C Accumulation units launched on 9 November 2009 at a price of 73.14p.

X Income unit class was launched on 1 April 2010 with the units first issued on 6 April 2010 at a price of 72.32p.

B Accumulation unit class was launched on 1 April 2010 with the units first issued on 13 May 2010 at a price of 77.38p.

X Accumulation unit class was launched on 1 April 2010 with the units first issued on 9 July 2010 at a price of 70.58p.

B Income unit class was launched on 22 December 2011 at a price of 79.92p.

\*S Income units were first issued on 1 November 2013 at a price of 50.00p.

## Ongoing charges figure

An ongoing charges figure ("OCF") is shown which takes into account the management fee and all other operating expenses over the year and is expressed as a percentage of average weekly assets over the same period. The OCF calculation includes a synthetic adjustment for the year to 28 February 2014 of 0.49% (28 February 2013: 0.52%) in respect of investments in other funds. The OCF replaces the total expense ratio ("TER") in accordance with the IMA's guidelines issued in October 2011. CESR guidelines on the methodology for the calculation of the OCF have been adopted.

	1.04.14 <sup>1</sup> %	28.02.14 %	28.02.13 %
A Income	1.65	1.55	1.58
A Accumulation	1.65	1.55	1.58
B Income	1.90	1.80	1.83
B Accumulation	1.90	1.80	1.83
C Accumulation	1.55	1.45	1.48
S Income	0.95	0.85	-
X Income	1.15	1.05	1.08
X Accumulation	1.15	1.05	1.08

<sup>1</sup> As detailed on page 2, the integration of Cazenove Capital Holdings with Schroders plc has resulted in a change to the fees on the Cazenove funds to bring them into line with the fees charged on Schroders' existing UK range.

With effect from 1 April 2014, an administration fee of 0.15% pa will apply to the fund, resulting in an OCF as detailed above.

## Net asset value record

Date	Net asset value £	Number of units in issue	Net asset value per unit p
<b>28 February 2014</b>			
A Income	91,713,373	101,599,781	90.27
A Accumulation	761,606,721	768,012,097	99.17
B Income	14,735,139	15,036,401	98.00
B Accumulation	145,229,505	147,642,694	98.37
C Accumulation	74,919,791	75,231,149	99.59
S Income	1,514	3,000	50.47
X Income	44,987,923	49,556,194	90.78
X Accumulation	223,446,041	238,965,449	93.51
	<b>1,356,640,007</b>	<b>1,396,046,765</b>	
<b>28 February 2013</b>			
A Income	97,563,432	115,569,242	84.42
A Accumulation	706,586,452	762,611,276	92.65
B Income	14,984,564	16,324,628	91.79
B Accumulation	147,702,715	160,309,133	92.14
C Accumulation	70,131,020	75,447,460	92.95
X Income	5,760,255	6,790,673	84.83
X Accumulation	28,025,539	32,231,686	86.95
	<b>1,070,753,977</b>	<b>1,169,284,098</b>	
<b>29 February 2012</b>			
A Income	83,493,519	107,780,482	77.47
A Accumulation	518,826,380	612,756,657	84.67
B Income	3,329,472	3,952,860	84.23
B Accumulation	6,638,285	7,868,685	84.36
C Accumulation	50,079,827	59,002,688	84.88
X Income	1,084,562	1,393,530	77.83
X Accumulation	986,576	1,246,630	79.14
	<b>664,438,621</b>	<b>794,001,532</b>	

The Trust issues income and accumulation units.

The Income and Accumulation unit classes changed name to A Income and A Accumulation, respectively, on 1 April 2010.

B Income unit class was launched on 22 December 2011 at a price of 79.92p.

B Accumulation unit class was launched on 1 April 2010 with the units first issued on 13 May 2010 at a price of 77.38p.

C Accumulation units launched on 9 November 2009 at a price of 73.14p.

S Income units were first issued on 1 November 2013 at a price of 50.00p.

X Income unit class was launched on 1 April 2010 with the units first issued on 6 April 2010 at a price of 72.32p.

X Accumulation unit class was launched on 1 April 2010 with the units first issued on 9 July 2010 at a price of 70.58p.

## Trust performance summary

Calendar year			Lowest price p	Highest price p	Distribution per unit p
<b>A Income</b>					
2014*			89.10	90.36	0.0000
2013			80.75	89.65	0.2400
2012			74.37	80.68	0.5389
2011			71.78	75.58	0.3897
2010			69.28	74.41	0.3325
2009			57.14	69.89	0.5861
<b>A Accumulation</b>					
2014*			97.88	99.26	0.0000
2013			88.46	98.49	0.2625
2012			80.91	88.39	0.5857
2011			77.86	81.99	0.4190
2010			74.62	80.53	0.3678
2009			61.29	75.28	0.6262
<b>B Income</b>					
2014*			96.76	98.12	0.0000
2013			87.75	97.41	0.0889
2012			80.63	87.68	0.2265
2011			80.07	80.58	-
<b>B Accumulation</b>					
2014*			97.13	98.49	0.0000
2013			88.00	97.78	0.0861
2012			80.63	87.92	0.4046
2011			77.65	81.79	0.2200
2010 <sup>†</sup>			75.21	80.43	0.0000
<b>C Accumulation</b>					
2014*			98.28	99.67	0.0000
2013			88.74	98.88	0.3466
2012			81.10	88.66	0.6529
2011			78.02	82.15	0.4939
2010			74.67	80.62	0.4155
2009			73.14	75.29	-
<b>S Income</b>					
2014*			49.81	50.56	0.0607
2013**			49.39	50.00	-
<b>X Income</b>					
2014*			89.68	91.01	0.1523
2013			81.21	90.16	0.5476
2012			74.81	81.14	0.8929
2011			72.24	76.04	0.6969
2010			69.81	74.81	0.0676
<b>X Accumulation</b>					
2014*			92.22	93.59	0.1575
2013			82.97	92.71	0.6021
2012			75.58	82.90	0.8520
2011			72.63	76.45	0.6983
2010			70.66	74.88	0.0919

## Trust performance summary (continued)

\* To 28 February 2014.

\*\*The highest and lowest price for S Income is for the period 1 November 2013 to 31 December 2013.

The Income and Accumulation unit classes changed name to A Income and A Accumulation, respectively, on 1 April 2010.

B Income unit class was launched on 22 December 2011 at 79.92p.

B Accumulation unit class was launched on 1 April 2010 with the units first issued on 13 May 2010 at a price of 77.38p.

C Accumulation units launched on 9 November 2009 at 73.14p.

X Income unit class was launched on 1 April 2010 with the units first issued on 6 April 2010 at a price of 72.32p.

S Income units were first issued on 1 November 2013 at a price of 50.00p.

X Accumulation unit class was launched on 1 April 2010 with the units first issued on 9 July 2010 at a price of 70.58p.

† The unit class did not pay a distribution during the year.

Please remember that past performance is not a guide to future performance and it might not be repeated.

## Portfolio summary

	As at 28.02.14		As at 28.02.13	
	Market value £	Net assets %	Market value £	Net assets %
Alternatives	381,265,994	28.10	300,799,239	28.09
Equities	365,968,436	26.98	301,198,112	28.13
Fixed income	221,994,087	16.36	199,505,780	18.63
<b>Net investment assets</b>	<b>969,228,517</b>	<b>71.44</b>	<b>801,503,131</b>	<b>74.85</b>
<b>Net other assets</b>	<b>387,411,490</b>	<b>28.56</b>	<b>269,250,846</b>	<b>25.15</b>
<b>Net assets attributable to unitholders</b>	<b>1,356,640,007</b>	<b>100.00</b>	<b>1,070,753,977</b>	<b>100.00</b>

## Top ten holdings

As at 28.02.14	Percentage of net assets %	As at 28.02.13	Percentage of net assets %
Majedie Tortoise Fund (G GBP Accumulation)	7.84	M&G Optimal Income Fund (I Income)	8.44
Morgan Stanley Diversified Alpha Plus Fund (ZH GBP Hedged)	5.81	Fidelity Special Situations Fund (Accumulation)	8.02
M&G Optimal Income Fund (I Income)	5.30	Jupiter Absolute Return Fund (Accumulation)	7.66
Majedie UK Equity Fund (X Income)	5.06	Majedie Tortoise Fund (G GBP Accumulation)	5.98
Schroder Sterling Liquidity Plus Fund (I Accumulation)	4.80	Cazenove European Income Fund (X Income)	5.28
Cazenove UK Absolute Target Fund (P2 GBP Accumulation)	4.44	JPM Income Opportunity Fund (A GBP Hedged Distributing)	4.14
Investec UK Special Situations Fund (A Income)	4.02	Cazenove UK Absolute Target Fund (P2 GBP Accumulation)	3.96
Cazenove European Income Fund (X Income)	3.41	Eclectica Fund (I GBP)	3.91
JPMorgan Income Opportunity Fund (C Income)	3.36	Morgan Stanley Diversified Alpha Plus Fund (ZH GBP Hedged)	3.72
GLG Japan CoreAlpha Fund (Professional Income)	2.95	GLG Japan CoreAlpha Equity Fund (I H USD Accumulation)	3.53



## Investment objective and fund policy

The Cazenove Multi-Manager Global Fund ("the Trust") seeks to provide capital appreciation through investment in any and all geographic areas of the world and in all economic sectors.

The Trust will aim to achieve this objective through the purchase of a diversified portfolio of authorised unit trusts, open ended investment companies and other collective investment schemes which invest primarily in companies that have their registered office, or derive a significant proportion of their revenue, or are predominantly operating from, outside the UK.

Although the investment policy of the Trust is to invest mainly in collective investment schemes, where it is considered appropriate, investments may also be made in closed ended funds, individual transferable securities, money market instruments and/or deposits.

The Trust may utilise derivatives and forward transactions for the purpose of efficient portfolio management.

Generally the Manager intends the Trust to remain fully invested subject to the holding of cash or near cash.

The asset allocation as at 28 February 2014 was as follows:

	%		%
Global	35.48	North American	26.08
European	12.44	Japan	10.64
Asia Pacific	4.74	Net other assets	10.62

## Investment Manager's report

From 28 February 2013 to 28 February 2014 the price of A Accumulation units on a dealing price to dealing price basis rose 12.86%. In comparison, the Trust's benchmark FTSE All World Ex UK Index generated a total return of 8.43%.

Global equity markets made strong gains over the 12 month period, as central banks remained supportive and the global economic recovery gained traction. Developed markets outperformed their emerging peers, led by continental Europe and US, and the MSCI World index gained 21.7% (in USD terms). Meanwhile bond markets lost ground as investors adjusted to the prospect of a tapering of US quantitative easing and core sovereign bond yields rose.

Our strategy for much of 2013 was to concentrate on those areas we felt had 'catch up' ability. Predominantly this meant selective, potentially under-earning, cyclical areas in developed equity markets, across the likes of Europe and Japan.

This strategy served us well through 2013 and in recent months we have been paring back risk in the portfolio by reducing exposure to early cyclical areas global, particularly European equities.

Significant sales during the period included Aberdeen Emerging Markets Fund, while purchases included Legal & General Global Health & Pharmaceutical Index Trust.

As equity markets continue to hit all time highs we think it prudent to focus on protecting investors' capital. To this end, a more balanced portfolio will serve us well should market conditions become more turbulent.

A considerable underweight exposure to fixed income also helped performance during the period. Although we remain on the lookout for tactical opportunities in fixed income, we generally remain of the view that the bond market is very expensive and it is sensible to be underweight bonds of all types. We maintain a large cash position.

## Directors' statement

This report was approved for publication on 15 April 2014.

**C.E. Helmstetter**

**Directors of Schroder Unit Trusts Limited**

**J.M. Cardew**

## Trust facts

	Accounting date	Distribution payment date
Interim	31 August	31 October
Final	28 February	30 April

## Performance record

	28.02.14	28.02.13	Capital return % change	Total return % change
FTSE All World Ex UK Index (£)*	422.67	399.56	5.78	8.43

\* Source: DATASTREAM. Total return includes reinvested income; capital return excludes income.

	28.02.14 p	28.02.13 p	Unit price % change	Total return % change (net of tax)
A Income**	105.01	93.04	12.87	12.87
A Accumulation**	105.29	93.29	12.86	12.86
S Income**	50.81	50.00*	1.62	1.62
X Income**	105.80	93.39	13.29	13.44
X Accumulation**	106.31	93.72	13.43	13.43

\*\* Source: Lipper. Total return includes net income reinvested (mid-mid, basic tax).

The Income and Accumulation unit classes changed name to A Income and A Accumulation, respectively, on 2 April 2012.

X Income units were first issued on 2 April 2012 at a price of 78.37p.

X Accumulation units were first issued on 2 April 2012 at a price of 78.50p.

\*S Income units were first issued on 1 November 2013 at a price of 50.00p.

## Ongoing charges figure

An ongoing charges figure ("OCF") is shown which takes into account the management fee and all other operating expenses over the year and is expressed as a percentage of average weekly assets over the same period. The OCF calculation includes a synthetic adjustment for the year to 28 February 2014 of 0.81% (28 February 2013: 0.79%) in respect of investments in other funds. The OCF replaces the total expense ratio ("TER") in accordance with the IMA's guidelines issued in October 2011. CESR guidelines on the methodology for the calculation of the OCF have been adopted.

	1.04.14 <sup>1</sup> %	28.02.14 %	28.02.13 %
A Income	1.99	1.90	1.87
A Accumulation	1.99	1.90	1.87
S Income	1.29	1.20	-
X Income	1.49	1.40	1.37
X Accumulation	1.49	1.40	1.37

<sup>1</sup> As detailed on page 2, the integration of Cazenove Capital Holdings with Schroders plc has resulted in a change to the fees on the Cazenove funds to bring them into line with the fees charged on Schroders' existing UK range.

With effect from 1 April 2014, an administration fee of 0.15% pa will apply to the fund, resulting in an OCF as detailed above.

## Net asset value record

Date	Net asset value £	Number of units in issue	Net asset value per unit p
<b>28 February 2014</b>			
A Income	166,281,369	158,450,877	104.94
A Accumulation	72,552,275	68,950,172	105.22
S Income	1,520	3,000	50.67
X Income	25,658,594	24,293,193	105.62
X Accumulation	22,890,391	21,545,806	106.24
	<b>287,384,149</b>	<b>273,243,048</b>	
<b>28 February 2013</b>			
A Income	132,355,231	141,703,475	93.40
A Accumulation	49,989,550	53,378,368	93.65
X Income	19,468,888	20,791,084	93.64
X Accumulation	1,739,435	1,848,965	94.08
	<b>203,553,104</b>	<b>217,721,892</b>	
<b>29 February 2012</b>			
Income	140,929,313	179,772,932	78.39
Accumulation	50,338,557	64,048,733	78.59
	<b>191,267,870</b>	<b>243,821,665</b>	

The Trust issues income and accumulation units.

The Income and Accumulation unit classes changed name to A Income and A Accumulation, respectively, on 2 April 2012.

S Income units were first issued on 1 November 2013 at a price of 50.00p.

X Income units were first issued on 2 April 2012 at a price of 78.37p.

X Accumulation units were first issued on 2 April 2012 at a price of 78.50p.

## Trust performance summary

Calendar year	Lowest price p	Highest price p	Distribution per unit p
<b>A Income</b>			
2014*	100.89	105.86	0.0000
2013	81.90	104.41	0.0000
2012 <sup>†</sup>	71.71	81.90	0.0000
2011 <sup>†</sup>	67.48	78.79	0.0000
2010 <sup>†</sup>	63.14	77.25	0.0000
2009	46.54	65.80	0.1006
<b>A Accumulation</b>			
2014*	101.16	106.15	0.0000
2013	82.12	104.69	0.0000
2012 <sup>†</sup>	71.91	82.12	0.0000
2011 <sup>†</sup>	67.66	79.00	0.0000
2010 <sup>†</sup>	63.30	77.45	0.0000
2009	46.67	65.97	0.0992
<b>S Income</b>			
2014*	48.79	51.18	0.1137
2013**	49.17	50.41	-
<b>X Income</b>			
2014*	101.61	106.59	0.1051
2013	82.14	105.05	0.1243
2012	72.35	82.05	0.1389
<b>X Accumulation</b>			
2014*	102.11	107.11	0.1300
2013	82.43	105.56	0.1722
2012	72.47	82.34	0.1409

\* To 28 February 2014.

\*\*The highest and lowest price for S Income is for the period 1 November 2013 to 31 December 2013.

The Income and Accumulation unit classes changed name to A Income and A Accumulation, respectively, on 2 April 2012.

S Income units were first issued on 1 November 2013 at a price of 50.00p.

X Income units were first issued on 2 April 2012 at a price of 78.37p.

X Accumulation units were first issued on 2 April 2012 at a price of 78.50p.

<sup>†</sup> The unit class did not pay a distribution during the year.

Please remember that past performance is not a guide to future performance and it might not be repeated.

## Portfolio summary

	As at 28.02.14		As at 28.02.13	
	Market value £	Net assets %	Market value £	Net assets %
Global	101,971,673	35.48	69,261,894	34.03
North American	74,950,948	26.08	49,656,801	24.40
European	35,738,401	12.44	33,149,878	16.29
Japan	30,577,236	10.64	18,792,141	9.23
Asia Pacific	13,616,750	4.74	11,895,000	5.84
Emerging Markets	-	-	8,068,125	3.96
<b>Net investment assets</b>	<b>256,855,008</b>	<b>89.38</b>	<b>190,823,839</b>	<b>93.75</b>
<b>Net other assets</b>	<b>30,529,141</b>	<b>10.62</b>	<b>12,729,265</b>	<b>6.25</b>
<b>Net assets attributable to unitholders</b>	<b>287,384,149</b>	<b>100.00</b>	<b>203,553,104</b>	<b>100.00</b>

## Top ten holdings

As at 28.02.14	Percentage of net assets %	As at 28.02.13	Percentage of net assets %
Findlay Park American Fund (USD)	12.93	Findlay Park American Fund (USD)	16.80
Legal & General Global Health & Pharmaceutical		CF Odey Opus Fund (Income)	12.03
Index Trust (I Distribution)	10.05	Cazenove European Fund (X Income)	10.07
GLG Japan CoreAlpha Fund (Professional Income)	9.63	Legal & General Global Health & Pharmaceutical	
Invesco Perpetual European Equity Fund (Z Accumulation)	8.82	Index Trust (I Distribution)	10.06
CF Odey Opus Fund (Income)	8.53	Legg Mason Opportunity Fund (Premier USD Accumulating)	7.17
Henderson US Growth Fund (I Accumulation)	6.62	Heptagon Yacktmann US Equity Fund (C USD)	6.07
Heptagon Yacktmann US Equity Fund (C USD)	6.53	BlackRock Asian Dragon Fund (A GBP Distribution)	5.84
GAM Global Diversified Fund (Accumulation)	5.95	Artemis European Growth Fund (R Accumulation)	5.27
JPMorgan Global Consumer Trends Fund (A Income)	5.93	GLG Japan CoreAlpha Equity Fund (I H USD Accumulation)	5.09
BlackRock Asian Dragon Fund (A GBP Distribution)	4.74	JPMorgan Global Consumer Trends Fund (A Income)	4.77

## Investment objective and fund policy

The Cazenove Multi-Manager UK Growth Fund ("the Trust") seeks to provide capital appreciation through investment, predominantly in the UK, in all economic sectors, through UK authorised unit trusts, open-ended investment companies and other collective investment schemes across several investment management groups.

Although the investment policy of the Trust is to invest mainly in collective investment schemes, where it is considered appropriate, investment may also be made in closed ended funds, individual transferable securities, money market instruments and/or deposits.

The Trust may utilise derivatives and forward transactions for the purpose of efficient portfolio management.

Generally the Manager intends the Trust to remain fully invested subject to the holding of cash or near cash.

The asset allocation as at 28 February 2014 was as follows:

	%		%
UK collective investment schemes	75.08	Offshore investments	19.81
Net other assets	5.11		

## Investment Manager's report

From 28 February 2013 to 28 February 2014 the price of A Accumulation units on a dealing price to dealing price basis rose 19.35%. In comparison, the Trust's benchmark FTSE All Share Index generated a total return of 13.29%.

Global equity markets, particularly in developed countries, made strong gains over the 12 month period, as central banks remained supportive and the global economic recovery gained traction.

The dual impact of rising economic confidence and the willingness of companies to use their strong balance sheets helped UK equities to move higher over the 12 months under review. The housing recovery (which was helped by government measures to ease access to mortgages) was reflected in consumer confidence, and economically sensitive businesses performed particularly well in this environment.

Our strategy for much of 2013 was to concentrate on those areas we felt were undervalued by the market and had 'catch up' ability. Predominantly this meant selective, potentially under earning, cyclical areas in domestic facing industries such as media, retail and financials.

This strategy served us well through 2013 and in recent months we have been paring back risk in the portfolio by reducing exposure to early cyclical areas of UK equities by taking profits on the likes of Fidelity Special Situations Fund, which we have now sold.

Other significant sales during the period included Franklin Templeton UK Mid Cap Fund, while purchases included Majedie UK Equity Fund, M&G Recovery Fund and GAM UK Diversified Institutional Fund.

As equity markets continue to hit all time highs we think it prudent to focus on protecting investors' capital. To this end, a more balanced portfolio will serve us well should market conditions become more turbulent.

A considerable underweight exposure to fixed income also helped performance during the period. Although we remain on the lookout for tactical opportunities in fixed income, we generally remain of the view that the bond market is very expensive and it is sensible to be underweight bonds of all types. We maintain a large cash position.

## Directors' statement

This report was approved for publication on 15 April 2014.

**C.E. Helmstetter**

**Directors of Schroder Unit Trusts Limited**

**J.M. Cardew**

## Trust facts

	Accounting date	Distribution payment date
Interim	31 August	31 October
Final	28 February	30 April

## Performance record

	28.02.14	28.02.13	Capital return % change	Total return % change
FTSE All Share Index (£)*	3,666.66	3,349.39	9.47	13.29

\* Source: DATASTREAM. Total return includes reinvested income; capital return excludes income.

	28.02.14 p	28.02.13 p	Unit price % change	Total return % change (net of tax)
A Income**	99.65	84.50	17.93	19.33
A Accumulation**	112.14	93.96	19.35	19.35
S Income**	52.40	50.00*	4.80	4.80
X Income**	99.95	84.72	17.98	19.91
X Accumulation**	113.23	94.40	19.95	19.95

\*\* Source: Lipper. Total return includes net income reinvested; capital return excludes income.

The Income and Accumulation unit classes changed name to A Income and A Accumulation, respectively, on 2 April 2012.

X Income units were first issued on 2 April 2012 at a price of 72.89p.

X Accumulation units were first issued on 2 April 2012 at a price of 80.77p.

\*S Income units were first issued on 1 November 2013 at a price of 50.00p.

## Ongoing charges figure

An ongoing charges figure ("OCF") is shown which takes into account the management fee and all other operating expenses over the year and is expressed as a percentage of average weekly assets over the same period. The OCF calculation includes a synthetic adjustment for the year to 28 February 2014 of 0.77% (28 February 2013: 0.83%) in respect of investments in other funds. The OCF replaces the total expense ratio ("TER") in accordance with the IMA's guidelines issued in October 2011. CESR guidelines on the methodology for the calculation of the OCF have been adopted.

	1.04.14 <sup>1</sup> %	28.02.14 %	28.02.13 %
A Income	1.96	1.87	1.92
A Accumulation	1.96	1.87	1.92
S Income	1.26	1.17	-
X Income	1.46	1.37	1.42
X Accumulation	1.46	1.37	1.42

<sup>1</sup> As detailed on page 2, the integration of Cazenove Capital Holdings with Schroders plc has resulted in a change to the fees on the Cazenove funds to bring them into line with the fees charged on Schroders' existing UK range.

With effect from 1 April 2014, an administration fee of 0.15% pa will apply to the fund, resulting in an OCF as detailed above.

## Net asset value record

Date	Net asset value £	Number of units in issue	Net asset value per unit p
<b>28 February 2014</b>			
A Income	38,433,707	38,780,850	99.10
A Accumulation	31,926,057	28,482,225	112.09
S Income	1,562	3,000	52.07
X Income	9,054,998	9,130,431	99.17
X Accumulation	83,731,477	73,982,880	113.18
	<b>163,147,801</b>	<b>150,379,386</b>	
<b>28 February 2013</b>			
A Income	34,963,704	41,450,317	84.35
A Accumulation	28,114,956	29,783,236	94.40
X Income	9,646,793	11,431,625	84.39
X Accumulation	64,721,602	68,245,146	94.84
	<b>137,447,055</b>	<b>150,910,324</b>	
<b>29 February 2012</b>			
Income	49,854,025	68,550,118	72.73
Accumulation	80,493,515	99,748,517	80.70
	<b>130,347,540</b>	<b>168,298,635</b>	

The Trust issues income and accumulation units.

The Income and Accumulation unit classes changed name to A Income and A Accumulation, respectively, on 2 April 2012.

S Income units were first issued on 1 November 2013 at a price of 50.00p.

X Income units were first issued on 2 April 2012 at a price of 72.89p.

X Accumulation units were first issued on 2 April 2012 at a price of 80.77p.



## Trust performance summary

Calendar year	Lowest price p	Highest price p	Distribution per unit p
<b>A Income</b>			
2014*	95.27	99.95	0.5047
2013	78.46	96.58	1.0361
2012	66.98	78.26	1.0322
2011	62.00	73.84	0.8744
2010	60.21	71.42	0.8039
2009	45.84	63.48	1.1188
<b>A Accumulation</b>			
2014*	107.20	112.48	0.5624
2013	87.25	108.68	1.2071
2012	74.34	87.02	1.1559
2011	67.80	80.75	0.9301
2010	65.18	77.34	0.8660
2009	48.87	67.91	1.1855
<b>S Income</b>			
2014*	50.07	52.55	0.3117
2013**	48.97	50.72	-
<b>X Income</b>			
2014*	95.52	100.25	0.7336
2013	78.60	96.79	1.4292
2012	67.14	78.39	0.4002
<b>X Accumulation</b>			
2014*	108.21	113.56	0.8425
2013	87.58	109.65	1.6130
2012	74.40	87.35	0.4361

\* To 28 February 2014.

\*\*The highest and lowest price for S Income is for the period 1 November 2013 to 31 December 2013.

The Income and Accumulation unit classes changed name to A Income and A Accumulation, respectively, on 2 April 2012.

S Income units were first issued on 1 November 2013 at a price of 50.00p.

X Income units were first issued on 2 April 2012 at a price of 72.89p.

Please remember that past performance is not a guide to future performance and it might not be repeated.

## Portfolio summary

	As at 28.02.14		As at 28.02.13	
	Market value £	Net assets %	Market value £	Net assets %
Equities	154,805,024	94.89	131,646,576	95.78
<b>Net investment assets</b>	<b>154,805,024</b>	<b>94.89</b>	<b>131,646,576</b>	<b>95.78</b>
<b>Net other assets</b>	<b>8,342,777</b>	<b>5.11</b>	<b>5,800,479</b>	<b>4.22</b>
<b>Net assets attributable to unitholders</b>	<b>163,147,801</b>	<b>100.00</b>	<b>137,447,055</b>	<b>100.00</b>

## Top holdings

	Percentage of net assets		Percentage of net assets
As at 28.02.14	%	As at 28.02.13	%
Majedie UK Equity Fund (X Income)	20.09	Fidelity Special Situations Fund (Accumulation)	22.22
Investec UK Special Situations Fund (A Income)	13.74	Artemis Capital Fund (R Accumulation)	12.85
RWC Income Opportunities Fund (B Income)	13.14	J O Hambro UK Opportunities Fund (Retail GBP	
M&G Recovery Fund (I Income)	11.87	Distribution)	12.63
J O Hambro UK Opportunities Fund (Retail GBP		Investec UK Special Situations Fund (A Income)	12.01
Distribution)	11.62	Franklin Templeton UK Mid Cap Fund (A Income)	10.20
Artemis Capital Fund (R Accumulation)	7.94	GLG UK Select Fund (C Accumulation)	10.07
GAM UK Diversified Institutional Fund		RWC Income Opportunities Fund (B Income)	9.81
(Accumulation)	5.79	Schroders UK Alpha Plus Fund (A Income)	4.05
Franklin Templeton UK Smaller Companies Fund		DB X-Trackers Stoxx 600 Basic Resources	1.94
(Accumulation)	4.03		
DB X-Trackers Stoxx 600 Basic Resources	3.76		
Treligga Ardevora UK Income Fund (C	2.91		
GBP Accumulation)			

## Investment objective and fund policy

The Cazenove Diversity Income Fund ("the Trust") seeks over the medium term to deliver a capital return that is in line with, or above, the consumer price index while also providing an average income distribution of 4% per annum. There is no guarantee that this objective will be met.

The Trust will invest across a broad range of asset classes which are intended to provide consistent rates of return with lower risk than more traditional approaches to portfolio management which tend to be largely dependent on the performance of equities.

The investment policy of the Trust is to invest mainly in collective investment schemes but, where it is considered appropriate, investment may also be made in closed ended funds, individual transferable securities and money market instruments.

The Trust may, in seeking investment diversification, obtain exposure to alternative asset classes including hedge funds, private equity, commodities and indirectly in property through investment in collective investments and transferable securities.

The Trust may utilise derivatives for the purposes of efficient portfolio management. Generally the Manager intends the Trust to remain fully invested subject to the holding of cash or near cash.

The asset allocation as at 28 February 2014 was as follows:

	%		%
UK collective investment schemes	35.42	Offshore investments	38.70
Net other assets	25.88		

## Investment Manager's report

From 28 February 2013 to 28 February 2014 the price of A Accumulation units on a dealing price to dealing price basis rose 8.53%. In comparison, the Trust's benchmark (CPI +4% pa) generated a total return of 5.82%.

Global equity markets made strong gains over the 12 month period, as central banks remained supportive and the global economic recovery gained traction. Developed markets outperformed their emerging peers, led by continental Europe and US, and the MSCI World index gained 21.7% (in USD terms). Meanwhile bond markets lost ground as investors adjusted to the prospect of a tapering of US quantitative easing and core sovereign bond yields rose.

Our strategy for much of 2013 was to concentrate on those areas we felt had 'catch up' ability. Predominantly this meant selective, potentially under-earning, cyclical areas in developed equity markets, across the likes of Europe and Japan.

This strategy served us well through 2013 and in recent months we have been paring back risk in the portfolio by reducing exposure to early cyclical areas of UK and European equities.

Significant sales during the period included Jupiter Absolute Return Fund and Eclectica Fund, while major purchases included BlackRock Gold & General Fund and Legal & General All Stocks Gilt Index Trust.

As equity markets continue to hit all time highs we think it prudent to focus on protecting investors' capital. To this end, a more balanced portfolio will serve us well should market conditions become more turbulent.

A considerable underweight exposure to fixed income also helped performance during the period. Although we remain on the lookout for tactical opportunities in fixed income, we generally remain of the view that the bond market is very expensive and it is sensible to be underweight bonds of all types. We maintain a large cash position.

## Directors' statement

This report was approved for publication on 15 April 2014.

**C.E. Helmstetter**

**Directors of Schroder Unit Trusts Limited**

**J.M. Cardew**

## Trust facts

	Accounting date	Distribution payment date
Interim	N/A	31 July
Interim	31 August	31 October
Interim	N/A	31 January
Final	28 February	30 April

## Performance record

	28.02.14	28.02.13	Total return % change
CPI*	127.36	125.20	1.72
Benchmark (Composite)**	-	-	5.82

\* Source: DATASTREAM. Total return includes net income reinvested; capital return excludes income.

\*\* Benchmark description: CPI plus 4% calculated on a monthly basis.

	28.02.14 p	28.02.13 p	Unit price % change	Total return % change (net of tax)
A Income***	117.05	111.21	5.25	8.53
A Accumulation***	128.30	118.22	8.53	8.53
S Income***	50.65	50.00*	1.30	1.30
X Income***	118.68	112.32	5.66	8.95
X Accumulation***	129.89	119.20	8.97	8.97

\*\*\* Source: Lipper. Total return includes net income reinvested; capital return excludes income.

The A Income, A Accumulation, X Income and X Accumulation units launched on the 15 December 2010 at a price of 100.00p.

\*S Income units were first issued on 1 November 2013 at a price of 50.00p.

## Ongoing charges figure

An ongoing charges figure ("OCF") is shown which takes into account the management fee and all other operating expenses over the year and is expressed as a percentage of average weekly assets over the same period. The OCF calculation includes a synthetic adjustment for the year to 28 February 2014 of 0.52% (28 February 2013: 0.62%) in respect of investments in other funds. The OCF replaces the total expense ratio ("TER") in accordance with the IMA's guidelines issued in October 2011. CESR guidelines on the methodology for the calculation of the OCF have been adopted.

	1.04.14 <sup>1</sup> %	28.02.14 %	28.02.13 %
A Income	1.72	1.65	1.82
A Accumulation	1.72	1.65	1.82
S Income	1.02	0.95	-
X Income	1.22	1.15	1.32
X Accumulation	1.22	1.15	1.32

<sup>1</sup> As detailed on page 2, the integration of Cazenove Capital Holdings with Schroders plc has resulted in a change to the fees on the Cazenove funds to bring them into line with the fees charged on Schroders' existing UK range.

With effect from 1 April 2014, an administration fee of 0.15% pa will apply to the fund, resulting in an OCF as detailed above.

## Net asset value record

Date	Net asset value £	Number of units in issue	Net asset value per unit p
<b>28 February 2014</b>			
A Income	36,292,044	31,216,145	116.26
A Accumulation	22,588,401	17,606,046	128.30
S Income	1,510	3,000	50.33
X Income	24,586,732	20,856,847	117.88
X Accumulation	24,302,708	18,710,801	129.89
	<b>107,771,395</b>	<b>88,392,839</b>	
<b>28 February 2013</b>			
A Income	25,340,639	22,888,911	110.71
A Accumulation	12,445,803	10,505,381	118.47
X Income	7,611,053	6,807,557	111.80
X Accumulation	3,887,152	3,254,016	119.46
	<b>49,284,647</b>	<b>43,455,865</b>	
<b>29 February 2012</b>			
A Income	11,519,450	11,306,543	101.88
A Accumulation	4,457,230	4,214,932	105.75
X Income	4,550,263	4,440,854	102.46
X Accumulation	1,843,422	1,735,773	106.20
	<b>22,370,365</b>	<b>21,698,102</b>	

The Trust issues income and accumulation units.

The A Income, A Accumulation, X Income and X Accumulation unit classes were launched on the 15 December 2010 at a price of 100.00p.

S Income units were first issued on 1 November 2013 at a price of 50.00p.

## Trust performance summary

Calendar year	Lowest price p	Highest price p	Distribution per unit p
<b>A Income</b>			
2014*	114.83	117.13	0.7833
2013	106.29	116.54	3.4802
2012	98.99	106.33	3.2731
2011	95.14	102.45	2.7885
2010	100.00	100.99	-
<b>A Accumulation</b>			
2014*	125.87	128.39	0.8592
2013	112.99	126.86	3.7393
2012	101.80	113.04	3.3852
2011	96.30	103.61	2.8259
2010	100.00	101.00	-
<b>S Income</b>			
2014*	49.64	50.69	0.3157
2013**	49.20	50.00	0.0570
<b>X Income</b>			
2014*	116.36	118.76	0.7961
2013	107.28	118.02	3.5172
2012	99.48	107.32	3.1993
2011	95.44	102.71	2.7767
2010	100.00	100.94	-
<b>X Accumulation</b>			
2014*	127.35	129.98	0.8713
2013	113.86	128.26	3.7767
2012	102.19	113.90	3.3822
2011	96.52	103.82	2.7789
2010	100.00	100.94	-

\* To 28 February 2014.

\*\*The highest and lowest price for S Income is for the period 1 November 2013 to 31 December 2013.

The A Income, A Accumulation, X Income and X Accumulation unit classes were launched on the 15 December 2010 at a price of 100.00p.

S Income units were first issued on 1 November 2013 at a price of 50.00p.

Please remember that past performance is not a guide to future performance and it might not be repeated.

## Portfolio summary

	As at 28.02.14		As at 28.02.13	
	Market value £	Net assets %	Market value £	Net assets %
Equities	51,577,346	47.86	22,664,905	45.99
Fixed income	21,612,518	20.05	9,737,298	19.75
Alternatives	6,687,574	6.21	4,690,747	9.52
<b>Net investment assets</b>	<b>79,877,438</b>	<b>74.12</b>	<b>37,092,950</b>	<b>75.26</b>
<b>Net other assets</b>	<b>27,893,957</b>	<b>25.88</b>	<b>12,191,697</b>	<b>24.74</b>
<b>Net assets attributable to unitholders</b>	<b>107,771,395</b>	<b>100.00</b>	<b>49,284,647</b>	<b>100.00</b>

## Top ten holdings

	Percentage of net assets		Percentage of net assets
As at 28.02.14	%	As at 28.02.13	%
RWC Enhanced Income Fund (B GBP Income)	20.20	RWC Enhanced Income Fund (B GBP Income)	20.49
Schroders Income Maximiser Fund (Z Income)	7.63	Schroders Income Maximiser Fund (Z Income)	9.94
Majedie UK Income Fund (X Income)	5.02	M&G Optimal Income Fund (I Income)	5.00
M&G Optimal Income Fund (I Income)	4.94	Pimco Select UK Income Bond Fund (Institutional Income)	3.86
Invesco Monthly Income Plus Fund (Income)	4.20	Schroders Asian Income Maximiser Fund (Z Income)	3.77
Cazenove European Income Fund (X income)	3.85	Kames Capital High Yield Global Bond Fund (B USD Income)	3.67
Schroders Asian Income Maximiser Fund (Z Income)	3.79	Jupiter Absolute Return Fund (Accumulation)	3.62
Majedie Tortoise Fund (G GBP Accumulation)	3.67	Majedie UK Income Fund (X Income)	3.42
GLG Japan CoreAlpha Fund (Professional Income)	3.51	Majedie Tortoise Fund (G GBP Accumulation)	3.14
Kames Capital High Yield Global Bond Fund (B USD Income)	3.30	Invesco Monthly Income Plus Fund (Income)	2.96

## Investment objective and fund policy

The Cazenove Multi-Manager Diversity Balanced Fund ("the Trust") seeks to deliver long term capital growth from exposure to a diversified portfolio of investments including equities, bonds, fixed interest and cash. It will also aim to provide a moderate income. The Trust will have exposure to both United Kingdom and overseas markets.

The Trust will invest predominantly through authorised unit trusts, open-ended investment companies, exchange traded funds and other collective investment schemes. Where it is considered appropriate, the Trust may also invest in closed-ended funds, individual transferable securities, money market instruments, deposits and/or other securities and instruments.

The Trust may seek investment diversification by obtaining exposure, through collective investments and closed ended funds, to alternative asset classes including hedge funds, private equity, property and commodities.

The Trust may utilise derivatives for efficient portfolio management purposes. It may seek to protect capital through active asset allocation and the use of derivatives where appropriate.

The asset allocation as at 28 February 2014 was as follows:

	%		%
UK collective investment schemes	42.87	Offshore investments	27.95
Net other assets	29.18		

## Investment Manager's report

From 28 February 2013 to 28 February 2014 the price of A Accumulation units on a dealing price to dealing price basis rose 10.86%. In comparison, the Trust's benchmark generated a total return of 8.40%.

Global equity markets made strong gains over the 12 month period, as central banks remained supportive and the global economic recovery gained traction. Developed markets outperformed their emerging peers, led by continental Europe and US, and the MSCI World index gained 21.7% (in USD terms). Meanwhile bond markets lost ground as investors adjusted to the prospect of a tapering of US quantitative easing and core sovereign bond yields rose.

Our strategy for much of 2013 was to concentrate on those areas we felt had 'catch up' ability. Predominantly this meant selective, potentially under-earning, cyclical areas in developed equity markets, across the likes of Europe and Japan.

This strategy served us well through 2013 and in recent months we have been paring back risk in the portfolio by reducing exposure to early cyclical areas of UK and European equities.

Significant sales during the period included Fidelity Special Situations Fund while major purchases included Majedie UK Equity Fund and Invesco European Equity Fund.

As equity markets continue to hit all time highs we think it prudent to focus on protecting investors' capital. To this end, a more balanced portfolio will serve us well, should market conditions become more turbulent.

A considerable underweight exposure to fixed income also helped performance during the period. Although we remain on the lookout for tactical opportunities in fixed income, we generally remain of the view that the bond market is very expensive and it is sensible to be underweight bonds of all types. We maintain a large cash position.

## Directors' statement

This report was approved for publication on 15 April 2014.

**C.E. Helmstetter**

**Directors of Schroder Unit Trusts Limited**

**J.M. Cardew**



## Trust facts

	Accounting date	Distribution payment date
Interim	31 August	31 October
Final	28 February	30 April

## Performance record

	28.02.14	28.02.13	Capital return % change	Total return % change
FTSE All Share Index (£)*	3,666.66	3,349.39	9.47	13.29
FTSE All World Ex UK Index (£)*	422.67	399.56	5.78	8.43
FTSE A Govt. All Stocks Index (£)*	2,855.18	2,879.64	(0.85)	(0.85)
UK IPD Property Index (£)*	969.52	860.85	12.62	12.62
HFRI Fund of Funds Composite (£)^**	3,313.91	3,401.43	(2.57)	(2.57)
Goldman Sachs Commodity Index (£)	2,962.43	3,213.75	(7.82)	(7.82)
Benchmark (Calculated in-house) (£)***	-	-	-	8.40

\* Source: DATASTREAM. Total return includes reinvested income; capital return excludes income.

^ Source: Website (www.hedgefundresearch.com)

\*\* Due to the nature of the pricing of these investments, the indices are subject to change.

\*\*\* Benchmark description: 50% FTSE All Share, 30% FTSE All World Ex UK, 5% FTSE British Govt. All Stocks, 5% UK IPD, 10% HFRI.

	28.02.14 p	28.02.13 p	Unit price % change	Total return % change (net of tax)
A Income****	124.61	113.17	10.11	10.83
A Accumulation****	125.46	113.17	10.86	10.86
S Income****	50.91	50.00*	1.82	1.82
X Income****	125.96	113.75	10.73	11.37
X Accumulation****	126.74	113.75	11.42	11.42

\*\*\*\* Source: Lipper. Total return includes net income reinvested (mid-mid, basic tax).

A Income, A Accumulation and X Accumulation units launched on the 2 April 2012 at a price of 100.00p.

X Income units launched on the 7 August 2012 at a price of 98.39p

\*S Income units were first issued on 1 November 2013 at a price of 50.00p.

## Ongoing charges figure

An ongoing charges figure ("OCF") is shown which takes into account the management fee and all other operating expenses over the year and is expressed as a percentage of average weekly assets over the same period. The OCF calculation includes a synthetic adjustment for the year to 28 February 2014 of 0.53% (28 February 2013: 0.57%) in respect of investments in other funds. The OCF replaces the total expense ratio ("TER") in accordance with the IMA's guidelines issued in October 2011. CESR guidelines on the methodology for the calculation of the OCF have been adopted.

	1.04.14 <sup>1</sup> %	28.02.14	28.02.13 %
A Income	1.74	1.67	1.72
A Accumulation	1.74	1.67	1.72
S Income	1.04	0.97	-
X Income	1.24	1.17	1.25
X Accumulation	1.24	1.17	1.25

<sup>1</sup> As detailed on page 2, the integration of Cazenove Capital Holdings with Schroders plc has resulted in a change to the fees on the Cazenove funds to bring them into line with the fees charged on Schroders' existing UK range.

With effect from 1 April 2014, an administration fee of 0.15% pa will apply to the fund, resulting in an OCF as detailed above.

## Net asset value record

Date	Net asset value £	Number of units in issue	Net asset value per unit p
<b>28 February 2014</b>			
A Income	4,978,699	4,007,707	124.23
A Accumulation	25,433,894	20,280,623	125.41
S Income	1,525	3,000	50.83
X Income	11,555,521	9,202,878	125.56
X Accumulation	75,962,267	59,958,837	126.69
	<b>117,931,906</b>	<b>93,453,045</b>	
<b>28 February 2013</b>			
A Income	3,449,272	3,051,218	113.05
A Accumulation	11,850,517	10,444,930	113.46
X Income	2,272,937	1,999,449	113.68
X Accumulation	1,130,108	991,035	114.03
	<b>18,702,834</b>	<b>16,486,632</b>	

The Trust issues income and accumulation units.

A Income, A Accumulation and X Accumulation units launched on the 2 April 2012 at a price of 100.00p.

S Income units were first issued on 1 November 2013 at a price of 50.00p.

X Income units launched on the 7 August 2012 at a price of 98.39p.

## Trust performance summary

Calendar year	Lowest price p	Highest price p	Distribution per unit p
<b>A Income</b>			
2014*	121.87	125.01	0.3422
2013	105.14	123.09	0.7545
2012	93.66	104.90	0.0000
<b>A Accumulation</b>			
2014*	122.69	125.85	0.3447
2013	105.14	123.92	0.7437
2012	93.66	104.90	0.0000
<b>S Income</b>			
2014*	49.76	51.02	0.0417
2013**	49.40	50.21	-
<b>X Income</b>			
2014*	123.12	126.28	0.3464
2013	105.60	124.29	0.6707
2012	98.37	105.34	0.0000
<b>X Accumulation</b>			
2014*	121.27	127.24	0.3505
2013	105.60	125.09	0.6791
2012	93.76	105.35	0.0000

\* To 28 February 2014.

\*\*The highest and lowest price for S Income is for the period 1 November 2013 to 31 December 2013.

A Income, A Accumulation and X Accumulation units launched on the 2 April 2012 at a price of 100.00p.

X Income units launched on the 7 August 2012 at a price of 98.39p.

S Income units were first issued on 1 November 2013 at a price of 50.00p.

Please remember that past performance is not a guide to future performance and it might not be repeated.

## Portfolio summary

	As at 28.02.14		As at 28.02.13	
	Market value £	Market value £	Market value £	Net assets %
Equities	56,100,365	47.57	10,324,096	55.20
Fixed income	14,248,730	12.08	1,202,047	6.43
Alternatives	13,171,210	11.17	2,401,572	12.84
<b>Net investment assets</b>	<b>83,520,305</b>	<b>70.82</b>	<b>13,927,715</b>	<b>74.47</b>
<b>Net other assets</b>	<b>34,411,601</b>	<b>29.18</b>	<b>4,775,119</b>	<b>25.53</b>
<b>Net assets attributable to unitholders</b>	<b>117,931,906</b>	<b>100.00</b>	<b>18,702,834</b>	<b>100.00</b>

## Top ten holdings

	Percentage of net assets		Percentage of net assets
	%		%
<b>As at 28.02.14</b>		<b>As at 28.02.13</b>	
Schroder Sterling Liquidity Plus Fund		Fidelity Special Situations Fund (Accumulation)	9.68
(I Accumulation)	10.16	Cazenove European Fund (X Income)	7.05
Majedie UK Equity Fund (X Income)	6.64	Findlay Park American Fund (USD)	5.99
Investec UK Special Situations Fund (A Income)	5.17	GLG UK Select Fund (C Accumulation)	4.79
GLG Japan CoreAlpha Fund (Professional Income)	4.56	Legg Mason Opportunity Fund (Premier USD	
Invesco European Equity Fund (Z Accumulation)	4.30	Accumulating)	4.68
Franklin Templeton UK Smaller Companies Fund		Franklin Templeton UK Mid Cap Fund (A Income)	4.63
(W Accumulation)	3.73	Investec UK Special Situations Fund (A Income)	4.28
Majedie Tortoise Fund (G GBP Accumulation)	3.61	Jupiter Absolute Return Fund (Accumulation)	4.13
BlackRock Asian Dragon Fund (A GBP		M&G Optimal Income Fund (I Income)	4.03
Distribution)	3.58	J O Hambro UK Opportunities Fund (Retail GBP	
Artemis European Growth Fund (R Accumulation)	3.52	Distribution)	3.40
Morgan Stanley Diversified Alpha Plus Fund			
(ZH GBP Hedged)	3.34		

## Regulatory information and risk warnings

The contents of the Investment Manager's report are based upon sources of information believed to be reliable, however, save to the extent required by applicable law or regulations, no guarantee, warranty or representation (express or implied) is given as to its accuracy or completeness and Schroder Unit Trusts Limited, its directors, officers and employees do not accept any liability or responsibility in respect of the information or any recommendations expressed herein which, moreover, are subject to change without notice.

Nothing in this document should be deemed to constitute the provision of financial, investment or other professional advice in any way. Past performance is not a guide to future performance. The value of investments and the revenue from them can go down as well as up and an investor may not get back the amount invested and may be affected by fluctuations in exchange rates. The levels and bases of, and reliefs from, taxation may change. You should obtain professional advice on taxation where appropriate before proceeding with any investment. You should be aware that investments in higher yielding bonds issued by borrowers with lower credit ratings may result in a greater risk of default and have a negative impact on revenue and capital value. Revenue payments may constitute a return of capital in whole or in part. Revenue may be achieved by foregoing future capital growth. You should be aware of the additional risks associated with investment in emerging and developing markets.

## Stamp duty reserve tax

The redemption of units by a unitholder may result in a liability for stamp duty reserve tax ("SDRT"). The SDRT liability (if any) will be determined by reference to the nature of the Trust's underlying investments and by the number of units issued and redeemed during the week in which the redemption occurs and in the following week.

The Manager will, as permitted by the COLL and the Regulations, pay any liability for SDRT out of the capital property of the Trust. The maximum amount of SDRT which will be due is 0.5% of the value of the units redeemed.

The Manager may also, where it believes that it is in the overall best interests of unitholders to do so, impose an SDRT provision on large deals. The imposition of an SDRT provision will have the effect of increasing the cost of buying units or reducing the proceeds on selling units. The Manager does not at present intend to charge an SDRT provision on other transactions.

The amount of the SDRT provision will not exceed 0.5% of the value of the transaction before the imposition of the provision. If the Manager receives an SDRT provision in respect of any unit bought or sold it shall, forthwith upon receipt of that SDRT provision, pay it to the Trustee to become part of the Trust property.

## FTSE disclaimer

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## Other information

### Prospectus

The Prospectus for the Cazenove Multi-Manager Unit Trusts has been prepared and is available from the Manager on request.

### Report and Accounts

The long form version of the report is available on written request to the Corporate Communications Department, Schroder Unit Trusts Limited  
31 Gresham Street London EC2V 7QA.

### Manager

To 28 February 2014

Cazenove Investment Fund Management Limited

Registered office: 12 Moorgate, London EC2R 6DA.

*Authorised and regulated by the Financial Conduct Authority.*

From 1 March 2014

Schroder Unit Trusts Limited

31 Gresham Street London EC2V 7QA

*The Manager is authorised and regulated by the Financial Conduct Authority.*

### Directors of Schroder Unit Trusts Limited

J. Troiano (*Chairman*)

J.M. Cardew

N.J. Fessey

C.E. Helmstetter

J.W. Stewart

R.E. Stoakley

C.Trabattoni

P.C. Wallace

### Trustee

J.P. Morgan Trustee and Depositary Company Limited

Chaseside, Bournemouth BH7 7DA.

*The Trustee is authorised and regulated by the Financial Conduct Authority.*

### Independent Auditors

PricewaterhouseCoopers LLP

Atria one, 144 Morrison Street, Edinburgh, EH3 8EX.

### Registrar

To 28 February 2014

J.P. Morgan Europe Limited

1 Angel Court, London EC2R 7HJ.

*Authorised and regulated by the Financial Conduct Authority.*

From 1 March 2014

International Financial Data Services Limited

IFDS House, St Nicholas Lane, Basildon, Essex SS15 5FS.

### Administrator

J.P. Morgan Europe Limited

3 Lochside View, Edinburgh Park, Edinburgh EH12 9DH.

*The Administrator is authorised and regulated by the Financial Conduct Authority.*

### For more information

Please telephone the Business Development Department at Schroder Unit Trusts Limited, on 020 3479 0330, or 020 3479 0139.





