

# Schroder Asian Income Fund

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## Final Short Report

16 January 2012 to 15 January 2013



**Schroders**

# Schroder Asian Income Fund

## Review of Investment Activities

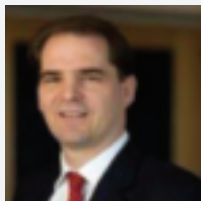
**From 13 January 2012 to 15 January 2013, the price of A Accumulation units on a selling price to selling price basis rose 21.41%. In comparison, the MSCI All Country Pacific ex Japan Index generated a net return of 14.45%<sup>1</sup> in sterling terms.**

**<sup>1</sup> Source: MSCI.**

The year 2012 got off to a good start for Asian equities but sentiment quickly turned on the worsening eurozone outlook and slowing Chinese economy. However, a late surge in equities was fuelled by a flood of liquidity back into Asia following coordinated global easing late in the third quarter. Improving Chinese data in the following months saw markets record impressive gains as the year ended.

Two of the best performing countries for the fund over the period were Singapore and Taiwan. Singapore was up strongly on account of its property sector, which saw real estate investment trusts perform well on the back of rising rents and a search for yield. Taiwan was another major contributor as it saw strong gains on the resilience of its export sector, particularly in technology names. Korea also contributed strongly as its major exporters and technology firms benefited from improving consumer sentiment in the second half of 2012.

Looking ahead, we continue to favour quality companies within the region that possess strong corporate governance, cashflows and balance sheets while also offering a sustainable dividend yield. We maintain our belief that a focus on dividends remains one of the strongest equity strategies over the long term.



**Fund Manager:**  
**Richard Sennitt**

# Fund Information

	Interim	Final
Accounting dates	15 July	15 January
Revenue allocation dates	15 September	15 March

	For the year to 15.1.13	For the year to 15.1.12
<b>Ongoing charges figure</b>		
A Income units	1.70%	1.70%
A Accumulation units	1.70%	1.70%
Z Income units	0.95%	0.95% <sup>1</sup>
Z Accumulation units	0.95%	0.95% <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

	Net Asset Value as at 15.1.13 pence per unit	Net Asset Value as at 15.1.12 pence per unit	Net Asset Value % change
<b>Fund performance</b>			
A Income units	214.93	185.84	15.65
A Accumulation units	293.96	242.77	21.09
Z Income units	54.69	46.94	16.51
Z Accumulation units	59.15	48.51	21.93

	3 months	1 year	5 years
<b>Schroder Asian Income Fund</b>	7.82%	21.41%	70.36%
MSCI All Country Pacific ex Japan Index	9.08%	14.45%	38.44% <sup>1</sup>

Fund Source: A Accumulation units on a selling price to selling price basis to 15.1.13.

Index Source: MSCI, net return in sterling terms to 15.1.13.

<sup>1</sup> With effect from 14 December 2009 the benchmark changed to the MSCI All Country Pacific ex Japan Index. Prior to this date the benchmark was 90% MSCI All Country Pacific ex Japan Index and 10% MSCI Japan Index. The full track record for the previous index has been kept and chain linked to the new one.

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	182.60	97.88	196.30	107.60
2009	182.70	104.80	212.50	119.00
2010	222.70	159.40	272.00	189.50
2011	222.80	164.80	272.10	210.20
2012	223.30	183.10	299.30	233.60
2013 to 15 January	221.30	215.00	296.70	288.20

	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	51.26	41.50	51.26	41.93
2012	55.01	46.20	58.33	46.66
2013 to 15 January	56.30	54.69	59.68	57.98

Net revenue	A Income units	A Accumulation units
Year to 31 December	pence per unit	pence per unit
2008	6.3524	6.7610
2009	6.9836	7.7943
2010	8.7200	10.3118
2011	8.7439	10.8015
2012	9.4440	12.1990
2013 to 15 January	4.3686	5.8590

	Z Income units	Z Accumulation units
Year to 31 December	pence per unit	pence per unit
2008	–	–
2009	–	–
2010	–	–
2011	Nil	Nil
2012	2.3690	2.4007
2013 to 15 January	1.1153	1.1789

# Portfolio Information

	% of net assets as at 15.1.13	% of net assets as at 15.1.12
<b>Spread of investments</b>		
Hong Kong/China	15.75	13.28
Indonesia	0.00	0.73
Malaysia	1.07	1.72
Philippines	0.00	2.14
Singapore	17.85	17.38
South Korea	7.52	6.30
Taiwan	12.16	9.87
Thailand	6.85	5.08
Australia	23.22	24.66
New Zealand	2.21	4.96
Bermuda	5.97	9.05
Cayman Islands	2.39	0.94
United Kingdom	1.95	1.00
Net other assets	3.06	2.89

	% of net assets as at 15.1.13		% of net assets as at 15.1.12
<b>Major holdings</b>			
Taiwan Semiconductor Manufacturing	4.44	Australia & New Zealand Banking Group	3.68
Amcor	2.99	Amcor	3.62
Swire Pacific A	2.51	Swire Pacific A	3.24
Glow Energy	2.34	United Overseas Bank	2.74
Fortune Real Estate Investment Trust	2.32	Taiwan Semiconductor Manufacturing	2.67
Venture	2.29	Fortune Real Estate Investment Trust	2.38
BOC Hong Kong Holdings	2.28	Jiangsu Expressway H	2.26
Bangkok Bank	2.28	Chunghwa Telecom	2.24
Suncorp Group	2.21	National Australia Bank	2.17
Yue Yuen Industrial Holdings	2.18	Suncorp Group	2.17



## Investment Objective & Policy

The fund's investment objective is to provide a growing income and capital growth for investors over the long term primarily through investment in equity and equity related securities of Asian companies which offer attractive yields and growing dividend payments. The emphasis of the fund will be investment in the Asia Pacific excluding Japan (including Australia and New Zealand) region.

Investment will be in directly held transferable securities. The fund may also invest in collective investment schemes, warrants and money market instruments.

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## Risk Profile

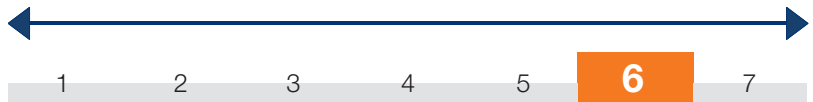
### Risk and reward indicator

#### Lower risk

Potentially lower reward

#### Higher risk

Potentially higher reward



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.

## Risk Profile (continued)

### 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 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.

As a result of the expenses being charged wholly to capital, the distributable revenue of the fund may be higher, but the capital value of the fund may be eroded which may affect future performance.

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 Asian Income Fund for the year ended 15 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)**.

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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 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).**

