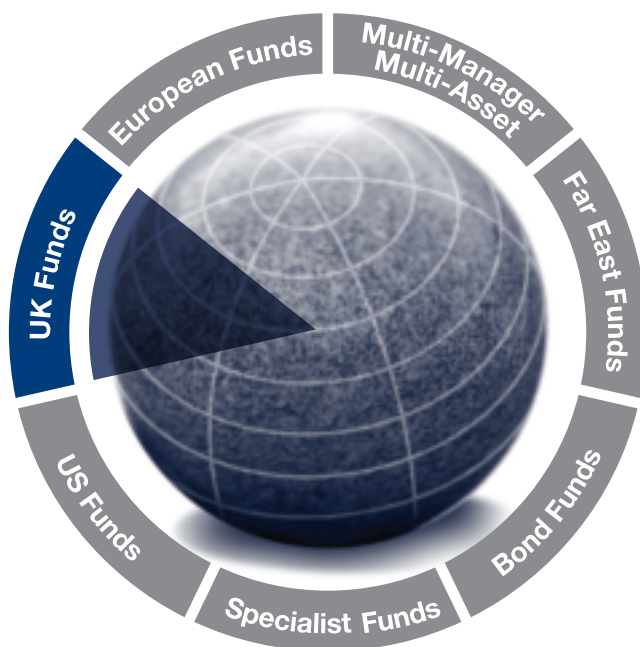


Schroder Income Maximiser

Final Short Report

1 September 2012 to 31 August 2013



Schroders

Schroder Income Maximiser

Review of Investment Activities

From 31 August 2012 to 30 August 2013 the price of A Accumulation units on a selling price to selling price basis, which reflects the reinvestment of the distributions paid to unitholders, rose 26.68%. The fund does not measure its performance against a benchmark because the options overlay strategy is expected to result in diverging performance according to market conditions. However, for comparison purposes, the FTSE All Share Index and the Investment Management Association UK Equity Income Sector Average generated total returns of 18.90%¹ and 21.28%² respectively over the same period.

1 Source: Thomson Reuters Datastream.

2 Source: Lipper Investment Management.

Equity markets experienced favourable conditions over much of the period with the UK ending its longest double dip recession since the Second World War and the US economy overcoming its 'fiscal cliff' and showing signs of recovery.

The fund outperformed the market. Our choice of stocks among financial companies particularly contributed to performance. Lloyds Banking Group, Barclays and Resolution have risen sharply from undervalued levels. Our holdings in consumer services companies also contributed to performance. Dixons Retail, Daily Mail & General Trust and bookmaker William Hill all rose sharply as investors became less pessimistic about companies exposed to the UK consumer.

As some of our holdings have reached or exceeded fair value in our view, we have been selling or trimming them. We have taken profits on Bovis Homes Group and Taylor Wimpey and have added Aviva, Debenhams and Tesco to the portfolio.

The income enhancement strategy continues to perform as we would expect, and the fund has delivered the target annual yield for the seventh consecutive year. We continue to apply the strategy in an active manner, looking at each individual holding and its potential within the portfolio as a whole. Our aim is to sell just enough potential capital growth across our range of holdings to meet the income target, while still benefiting from the first phase of any share price growth.



**Co-Fund
Manager:**
Dr Thomas
See



**Co-Fund
Manager:**
Nick
Kirrage



**Co-Fund
Manager:**
Kevin
Murphy

Fund Information

	Quarterly	Interim	Quarterly	Final
Accounting dates	30 November	28 February	31 May	31 August
Revenue allocation dates	31 January	30 April	31 July	31 October

	For the year to 31.8.13	For the year to 31.8.12
Ongoing charges figure		
A Income units	1.66%	1.67%
A Accumulation units	1.66%	1.67%
Z Income units	0.91%	0.91%
Z Accumulation units	0.91%	0.91%

Performance Record

	Net Asset Value as at 31.8.13 pence per unit	Net Asset Value as at 31.8.12 pence per unit	Net Asset Value % change
Fund performance			
A Income units	46.67	39.37	18.54
A Accumulation units	83.40	65.81	26.73
Z Income units	53.62	44.97	19.24
Z Accumulation units	62.99	49.41	27.48

	3 months	1 year	5 years
Schroder Income Maximiser	1.70%	26.68%	58.44%
FTSE All Share Index ¹	(0.79)%	18.90%	42.62%
Investment Management Association UK Equity Income Sector Average ²	1.35%	21.28%	45.80%

Fund Source: A Accumulation units on a selling price to selling price basis to 30.8.13.

Indices Source: 1 Thomson Reuters Datastream 2 Lipper Investment Management, total returns to 30.8.13.

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

Performance Record (continued)

Unit price range	A Income units		A Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
Year to 31 December				
2008	53.43	30.47	62.01	38.14
2009	47.55	28.09	63.88	36.45
2010	49.64	39.53	69.24	56.02
2011	48.89	34.51	71.61	53.56
2012	44.88	35.89	76.08	58.14
2013 to 31 August	48.99	43.28	86.17	73.35

	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	50.30	39.18	50.30	39.97
2012	49.73	40.92	55.42	43.57
2013 to 31 August	56.26	49.52	65.05	55.18

Net revenue	A Income units	A Accumulation units
Year to 31 December	pence per unit	pence per unit
2008	3.9647	4.7504
2009	2.5493	3.3363
2010	3.0767	4.3100
2011	3.0637	4.6046
2012	2.7708	4.4902
2013 to 31 August	2.4673	4.2533

	Z Income units	Z Accumulation units
Year to 31 December	pence per unit	pence per unit
2008	–	–
2009	–	–
2010	–	–
2011	1.6190	1.6627
2012	3.1567	3.3625
2013 to 31 August	2.8274	3.2017

Portfolio Information

	% of net assets as at 31.8.13	% of net assets as at 31.8.12
Spread of investments		
Oil & Gas	8.13	8.26
Industrials	7.33	6.65
Consumer Goods	0.73	3.68
Health Care	18.78	21.17
Consumer Services	18.72	16.79
Telecommunications	9.75	10.91
Financials	29.73	27.60
Technology	6.00	0.00
Euro Denominated Derivatives	(0.03)	(0.14)
Sterling Denominated Derivatives	(0.60)	(0.61)
US Dollar Denominated Derivatives	0.04	(0.03)
Net other assets	1.42	5.72

	% of net assets as at 31.8.13		% of net assets as at 31.8.12
Major holdings			
AstraZeneca	6.92	AstraZeneca	6.53
Vodafone Group	5.33	Vodafone Group	6.04
GlaxoSmithKline	5.30	GlaxoSmithKline	5.37
BP	5.19	Lloyds Banking Group	5.05
Resolution	5.08	Legal & General Group	4.40
Morrison (WM) Supermarkets	4.12	BP	4.35
Rentokil Initial	3.82	Barclays	3.96
Lloyds Banking Group	3.76	Royal Dutch Shell B	3.91
Barclays	3.45	Old Mutual	3.81
Royal Bank of Scotland Group	3.29	Merck	3.59



Investment Objective & Policy

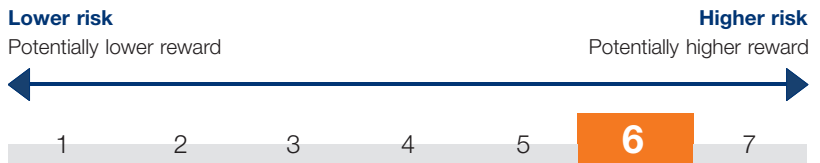
The fund's investment objective is to provide income with potential for capital growth primarily through investment in equity and equity-related securities of UK companies. The fund will also use derivative instruments to generate additional income.

The Manager may selectively sell short dated call options over securities or portfolios of securities held by the fund or indices, in order to generate additional income by setting target 'strike' prices at which those securities may be sold in the future. The Manager is also permitted to sell put options on securities or portfolios of securities which are not held by the fund, or indices, at target prices that are pre-set below the current market level. The Manager may also, for the purpose of efficient management, use derivative instruments which replicate the performance of a basket of short dated call options or a combination of equity securities and short dated call options.

Investment will be in directly held transferable securities. The fund may also invest in collective investment schemes, derivatives, cash, deposits, 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 is index unconstrained and has the potential for greater volatility.

The fund invests in a smaller number of stocks. This carries more risk than funds spread across a larger number of companies.

The fund uses derivatives to achieve its investment objective. The way in which derivatives are used will increase the revenue paid to investors and reduce volatility, but there is the potential that performance or capital value may be eroded.

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.

The target yield quoted is an estimate and is not guaranteed. It is quoted net of basic rate tax, however, higher rate tax payers should note that they may be liable for further deductions.

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

Report & Accounts

This document is a short report for Schroder Income Maximiser for the year ended 31 August 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, RLTX-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.



