

Schroder

Global Property Income Maximiser

Final Short Report

1 May 2013 to 30 April 2014



Schroders

Schroder Global Property Income Maximiser

Review of Investment Activities

From 30 April 2013 to 30 April 2014, the price of A Accumulation units on a dealing price to dealing price basis, which reflects the reinvestment of the distribution paid to unitholders, fell 8.41%.

The fund does not measure its performance against a benchmark because the options overlay strategy is expected to result in diverging performance according to the market conditions.

Property vehicles struggled during the period as investors sought guidance on the future of monetary policy from major central banks. Japanese property names in particular endured an extremely challenging start to the second half of 2013, as the Federal Reserve began discussions about withdrawing its bond buying programme, which were borne out in December. Despite assurances that monetary policy would remain accommodative, property assets struggled and Japanese REIT investments slid sharply. While the overall economic picture has improved in the eurozone, the US and the UK – reflected in better performances there – weaker activity in Japan and China weighed on sentiment towards Asian property markets.

The portfolio produced a negative return over the period, but fared better than the wider property security market. The fund also continued to deliver its enhanced level of income due to a combination of dividends from our holdings and the Maximiser yield enhancement strategy. We continue to implement the strategy on a stock by stock basis; carefully selecting names to target for income while giving other names room to rise as much as possible.

We anticipate that the overall progress in global economic data will continue to improve by increments, led by the US and the UK. While interest rates have been kept low due to the nascence of growth in these two economies, we believe that expectations of modest rate rises may begin to emerge in the remainder of 2014 as growth finds traction. Where discounts to the net asset value are pronounced, such as in Singapore, Hong Kong and China, we remain confident that the domestic governments will be motivated to increase economic growth.



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



**Co-Fund
Manager:**
Jim
Rehlaender



**Co-Fund
Manager:**
Al Otero

Fund Information

	Quarterly	Interim	Quarterly	Final
Accounting dates	31 July	31 October	31 January	30 April
Revenue allocation dates	30 September	31 December	31 March	30 June

	For the year to 30.4.14	For the year to 30.4.13
Ongoing charges figure		
A Income units	1.69%	1.71%
A Accumulation units	1.69%	1.71%
L Income units	0.87% ¹	–
L Accumulation units	0.87% ¹	–
Z Income units	0.94%	0.96%
Z Accumulation units	0.94%	0.96%

¹ The Ongoing charges figure is annualised based on the fees incurred during the accounting period.

Performance Record

	Net Asset Value as at 30.4.14 pence per unit	Net Asset Value as at 30.4.13 pence per unit	Net Asset Value % change
Fund performance			
A Income units	46.17	54.16	(14.75)
A Accumulation units	57.62	63.05	(8.61)
L Income units	48.76	–	–
L Accumulation units	50.81	–	–
Z Income units	47.08	54.90	(14.24)
Z Accumulation units	58.86	63.93	(7.93)

	3 months	1 year	Since launch
Schroder Global Property Income Maximiser	3.12%	(8.41)%	15.60%

Fund Source: A Accumulation units on a dealing price to dealing price basis to 30.4.14.

The Schroder Global Property Income Maximiser was launched on 18.2.11.

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		L Income units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
Year to 31 December						
2011	53.89	42.36	54.55	43.76	–	–
2012	50.14	46.05	56.98	48.53	–	–
2013	55.96	45.79	65.16	55.32	52.12	48.51
2014 to 30 April	47.52	45.62	58.33	55.65	51.28	48.85

	L Accumulation units		Z Income units		Z Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
Year to 31 December						
2011	–	–	54.01	42.58	54.66	43.96
2012	–	–	51.09	46.40	57.73	48.85
2013	52.12	48.51	56.74	46.58	66.12	56.30
2014 to 30 April	51.28	48.85	48.44	46.46	59.51	56.68

Net revenue	A Income units	A Accumulation units	L Income units
Year to 31 December	pence per unit	pence per unit	pence per unit
2011	2.5299	2.6742	–
2012	3.4012	3.6846	–
2013	3.5480	4.1032	–
2014 to 30 April	1.5372	1.8226	2.0397

	L Accumulation units	Z Income units	Z Accumulation units
Year to 31 December	pence per unit	pence per unit	pence per unit
2011	–	2.5221	2.6281
2012	–	3.4491	3.7573
2013	–	3.5965	4.0667
2014 to 30 April	2.0434	1.5946	1.9458

Portfolio Information

	% of net assets as at 30.4.14	% of net assets as at 30.4.13
Spread of investments		
Australia	8.21	8.19
Bermuda	1.22	0.85
Canada	1.21	1.90
Cayman Islands	1.43	1.50
China	1.07	1.60
France	6.32	6.25
Hong Kong	5.64	4.64
Japan	9.99	11.87
Netherlands	3.11	3.50
Singapore	3.67	4.16
Sweden	1.02	1.19
United Kingdom	6.05	4.63
United States	51.05	47.80
Australian Dollar Denominated Derivatives	(0.18)	(0.12)
Euro Denominated Derivatives	(0.28)	(0.25)
Hong Kong Dollar Denominated Derivatives	(0.15)	(0.11)
Japanese Yen Denominated Derivatives	0.00	(0.11)
Singapore Dollar Denominated Derivatives	(0.20)	(0.04)
Swedish Krona Denominated Derivatives	(0.03)	(0.03)
Sterling Denominated Derivatives	(0.08)	(0.10)
US Dollar Denominated Derivatives	(1.60)	(0.77)
Net other assets	2.53	3.45

	% of net assets as at 30.4.14		% of net assets as at 30.4.13
Major holdings			
Simon Property Group	5.57	Health Care Real Estate Investment Trust	3.49
Health Care Real Estate Investment Trust	3.60	Sumitomo Realty & Development	3.19
Alexandria Real Estate Equities	3.48	Mitsubishi Estate	3.17
Prologis	3.10	Simon Property Group	3.13
Equity Residential Properties Trust	3.09	Mitsui Fudosan	3.08
Starwood Hotels & Resorts Worldwide B	3.00	Equity Residential Properties Trust	2.98
Boston Properties	2.71	Macerich	2.90
Nippon Prologis Real Estate Investment Trust Units	2.61	Starwood Hotels & Resorts Worldwide B	2.84
Liberty Property Trust	2.59	Camden Property Trust	2.62
Macerich	2.58	Prologis	2.55

Investment Objective & Policy

The fund's investment objective is to provide income with potential for capital growth primarily through investment in real estate investment trusts, equity and equity related securities and debt securities of property companies worldwide.

In order 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, by setting individual 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 primarily be in directly held transferable securities. The fund may also invest in collective investment schemes, cash, deposits, warrants, money market instruments and derivatives. In particular, the fund may buy or sell over the counter and exchange traded derivatives, and enter into total returns swaps. The fund will use derivative instruments for investment purposes as well as for efficient management.

Further Information

The fund aims to deliver a target yield of 7% per year¹. The target yield of 7% is not guaranteed and could change according to prevailing market conditions. The Manager will notify unitholders if the target yield changes.

¹ The yield is the simple sum of the four percentage quarterly distributions that comprise the fund year, each calculated by dividing the quarterly distribution amount by the unit price at the start of that quarter.



Risk Profile

Risk and reward indicator

Lower risk

Potentially lower reward

Higher risk

Potentially higher reward



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

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

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

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

Specific risks

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

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

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

The fund focuses on specific sectors. This carries more risk than funds spread across a number of different industry sectors.

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.

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 the Schroder Global Property Income Maximiser Fund for the year ended 30 April 2014. The long form Report & Accounts for the fund are available on our website www.schroders.co.uk or upon written request to Schroders, FREEPOST, RLTZ-CHSY-HBUT, PO Box 1102, Chelmsford, Essex CM99 2XX.

Other information

With effect from 1 October 2013 the minimum initial investment for Z Income units and Z Accumulation units decreased from £3 million to £1 million.

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.

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

For investors' security, calls to Schroder Investor Services may be recorded. **Manager:** Schroder Unit Trusts Limited, 31 Gresham Street, London, EC2V 7QA. Authorised and regulated by the Financial 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, Atria One, 144 Morrison Street, Edinburgh EH3 8EX.

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.

