

Schroder

Global Healthcare Fund

Final Short Report

16 August 2012 to 15 August 2013



Schroders

Schroder Global Healthcare Fund

Review of Investment Activities

From 15 August 2012 to 15 August 2013 the price of A Accumulation units on a selling price to selling price basis rose 30.17%. In comparison, the MSCI All Country World Health Care Index and the MSCI World Index generated total returns of 29.59%¹ and 22.47%¹ respectively in sterling terms.

¹ Source: Thomson Reuters Datastream.

Global markets rallied through the year, helped by global central bank action, an improving US economy and an easing of pressure in the eurozone. Health care stocks performed even better than their global peers. This was in part because investors valued their stable returns in what was an uncertain environment despite market gains, but also because there is real innovation underway in the sector.

Performance was strong, both in absolute and relative terms. On an absolute basis, this was driven by biotechnology, life sciences tools & services, and health care. In biotechnology, where we are overweight versus the index, strong performances from MannKind, which develops therapies for diabetes and cancer, and Gilead Sciences, whose HIV and Hepatitis C treatments are making good progress, were positive.

The pharmaceuticals sector is our most significant underweight and we further reduced our position over the twelve months.

We expect Schroder Global Healthcare Fund's strong performance to continue driven by genuine innovation. The fund offers exposure to companies with visible mid term growth, attractive valuations and improving outlook relative to other defensive parts of the market.



Fund Manager:
John Bowler

Fund Information

	Interim	Final
Accounting dates	15 February	15 August
Revenue allocation date		15 October
Ongoing charges figure	For the year to 15.8.13	For the year to 15.8.12
A Income units	1.69%	1.70%
A Accumulation units	1.69%	1.70%
Z Income units	0.94%	0.95% ¹
Z Accumulation units	0.94%	0.95% ¹

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

Performance Record

Fund performance	Net Asset Value as at 15.8.13 pence per unit	Net Asset Value as at 15.8.12 pence per unit	Net Asset Value % change
A Income units	89.37	69.38	28.81
A Accumulation units	90.77	70.33	29.06
Z Income units	75.68	59.15	27.95
Z Accumulation units	76.93	59.15	30.06

	3 months	1 year	5 years
Schroder Global Healthcare Fund	0.56%	30.17%	89.60%
MSCI All Country World Health Care Index	(1.67)%	29.59%	93.50%
MSCI World Index	(1.73)%	22.47%	54.73%

Fund Source: A Accumulation units on a selling price to selling price basis to 15.8.13.

Indices Source: Thomson Reuters Datastream, total returns in sterling terms to 15.8.13.

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	52.64	39.93	52.64	40.01
2009	60.59	41.47	60.96	41.55
2010	65.44	51.66	65.85	51.98
2011	68.38	53.53	68.96	53.99
2012	74.62	63.05	75.64	63.67
2013 to 15 August	93.47	69.94	94.74	70.89

	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	53.31	48.56	53.31	48.56
2012	61.70	53.31	61.70	53.31
2013 to 15 August	80.27	59.80	80.26	59.80

Net revenue	A Income units	A Accumulation units
Year to 31 December	pence per unit	pence per unit
2008	0.0979	0.0979
2009	0.2394	0.2399
2010	0.1234	0.1166
2011	0.0732	0.0778
2012	0.2590	0.2648
2013 to 15 August	0.1784	0.1855

	Z Income units	Z Accumulation units
Year to 31 December	pence per unit	pence per unit
2008	–	–
2009	–	–
2010	–	–
2011	Nil	Nil
2012	Nil ¹	0.5752
2013 to 15 August	1.2495	0.6692

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

Portfolio Information

Spread of investments	% of net assets as at 15.8.13	% of net assets as at 15.8.12
South Africa	0.00	0.33
Japan	3.02	5.94
South Korea	0.00	0.38
Australia	0.11	2.02
Belgium	1.04	0.00
Denmark	1.02	3.46
France	6.02	5.65
Germany	2.58	4.05
Hungary	0.00	0.58
Ireland	0.68	2.09
Italy	0.87	0.00
Jersey	2.38	2.05
Netherlands	0.57	0.00
Norway	1.00	0.00
Switzerland	11.24	8.71
United Kingdom	2.89	5.02
Israel	2.09	2.20
Canada	0.00	0.35
United States	60.83	54.42
Brazil	0.37	1.04
Net other assets	3.29	1.71

	% of net assets as at 15.8.13		% of net assets as at 15.8.12
Major holdings			
Roche Holding Genusscheine	5.99	Merck	5.75
Johnson & Johnson	5.89	Johnson & Johnson	5.47
Sanofi	4.33	Pfizer	5.46
Novartis	4.10	Roche Holding Genusscheine	4.67
Amgen	3.81	Sanofi	4.25
Bristol-Myers Squibb	3.80	Abbott Laboratories	3.81
Gilead Sciences	3.32	Novartis	3.79
Pfizer	3.26	GlaxoSmithKline	3.06
UnitedHealth Group	2.99	Amgen	2.88
Merck	2.88	Astellas Pharma	2.85



Investment Objective & Policy

The fund's investment objective is to achieve capital growth.

The fund will invest in healthcare, medical services and related products and companies on a world wide basis.

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

Risk Profile

Risk and reward indicator



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

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

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

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

Specific risks

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

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

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

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

Report & Accounts

This document is a short report for the Schroder Global Healthcare Fund for the year ended 15 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, RLTZ-CHSY-HBUT, PO Box 1102, Chelmsford, Essex CM99 2XX.

Other information

The fund changed its name from Schroder Medical Discovery Fund to Schroder Global Healthcare Fund with effect from 7 December 2012.

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.

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, 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.



