

Schroder

All Maturities Corporate Bond Fund

Final Short Report

1 November 2012 to 31 October 2013



Schroders

Schroder All Maturities Corporate Bond Fund

Review of Investment Activities

From 31 October 2012 to 31 October 2013, the price of I Accumulation (Gross) units on a dealing price to dealing price basis rose from 206.80p to 218.80p, an increase, net of fees, of 5.80%. In comparison, the Bank of America Merrill Lynch Sterling Non-Gilts All Stocks Index generated a total return of 4.07%¹ over the same period.

1 Source: Thomson Reuters Datastream.

Government bond yields rose in the US, UK and Germany and their indices posted losses over the twelve month period. Throughout the period, confidence in the global economy generally improved as the economic recovery gained traction in the developed world and global manufacturing activity increased. Corporate bonds outperformed sovereign bonds as they benefited from the improving economic backdrop and investor's increased appetite for riskier assets.

The fund outperformed its benchmark over the period, with our selection of individual credits and our credit sector allocation mainly driving performance.

Although we maintain an overweight exposure to credit risk overall, we have recently taken some risk off the table. For example, we have trimmed some of our high yield and financial exposure following their outperformance and have been increasing our allocation to more defensive sectors such as utilities that have lagged the recent rally.

Looking ahead we are constructive on European credit markets, and by extension parts of the sterling market which still look good value comparatively, as risks related to interest rates can be hedged out. Volatility is very low currently so there may be spikes which widen spreads and provide decent entry points over the year.

We continue to follow a thematic approach to help identify the most attractive credits.



Fund Manager:
Alix Stewart

Fund Information

	Interim	Final
Accounting dates	30 April	31 October
Revenue allocation dates	30 June	31 December

Ongoing charges figure	For the year to 31.10.13	For the year to 31.10.12
A Income units	1.12%	1.12%
A Accumulation units	1.12%	1.11%
I Income (Gross) units	0.27%	0.26%
I Accumulation (Gross) units	0.27%	0.26%
X Accumulation (Gross) units ¹	0.02%	0.01%
Z Income units	0.47%	0.46%
Z Accumulation units	0.47%	0.46%

¹ The annual management charge for X Accumulation (Gross) units is invoiced directly to unitholders and is therefore not included in the Ongoing charges figure for that unit class.

Performance Record

Fund performance	Net Asset Value as at to 31.10.13 pence per unit	Net Asset Value as at to 31.10.12 pence per unit	Net Asset Value % change
A Income units	56.30	56.52	(0.39)
A Accumulation units	68.63	66.20	3.67
I Income (Gross) units	52.31	52.11	0.38
I Accumulation (Gross) units	217.16	205.77	5.54
X Accumulation (Gross) units	112.79	106.58	5.83
Z Income units	58.73	58.63	0.17
Z Accumulation units	71.57	68.63	4.28

	3 months	1 year	5 years
Schroder All Maturities Corporate Bond Fund	3.16%	5.80%	58.55%
Bank of America Merrill Lynch Sterling Non-Gilts All Stocks Index	1.96%	4.07%	57.82%

Fund Source: I Accumulation (Gross) units on a dealing price to dealing price basis to 31.10.13.

Index Source: Thomson Reuters Datastream, total return to 31.10.13.

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 dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
Year to 31 December				
2008	–	–	–	–
2009	57.24	48.55	57.63	48.55
2010	59.12	53.73	60.93	56.46
2011	56.41	52.36	61.73	58.65
2012	58.02	53.69	67.53	60.47
2013 to 31 October	59.97	55.17	70.54	65.84

	I Income (Gross) units		I Accumulation (Gross) units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
Year to 31 December				
2008	–	–	145.40	135.80
2009	50.51	49.29	169.50	140.90
2010	54.29	48.90	182.30	166.80
2011	51.71	47.98	187.50	176.30
2012	53.75	49.28	210.50	185.10
2013 to 31 October	55.80	51.20	221.30	206.20

	X Accumulation (Gross) units		Z Income units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
Year to 31 December				
2008	74.69	69.67	–	–
2009	87.19	72.39	58.19	49.17
2010	93.95	85.81	60.68	55.17
2011	96.84	90.90	58.05	54.04
2012	109.10	95.71	60.20	55.44
2013 to 31 October	114.80	106.90	62.41	57.44

	Z Accumulation units	
	Highest dealing p	Lowest dealing p
Year to 31 December		
2008	–	–
2009	58.68	49.17
2010	62.39	57.58
2011	63.49	60.12
2012	70.08	62.38
2013 to 31 October	73.37	68.54

Performance Record (continued)

Net revenue	A Income units pence per unit	A Accumulation units pence per unit	I Income (Gross) units pence per unit	I Accumulation (Gross) units pence per unit
Year to 31 December				
2008	–	–	–	7.8872
2009	1.6691	1.6755	0.0403	8.6924
2010	2.6399	2.7432	3.0682	10.3066
2011	2.3085	2.5166	2.7018	9.7309
2012	2.1747	2.4739	2.5537	9.7187
2013 to 31 October	2.3382	2.7523	2.7072	10.8057

	X Accumulation (Gross) units pence per unit	Z Income units pence per unit	Z Accumulation units pence per unit
Year to 31 December			
2008	4.0431	–	–
2009	4.4538	1.5526	1.7557
2010	5.3092	2.7434	2.8396
2011	5.0188	2.4247	2.6026
2012	5.0281	2.2956	2.6095
2013 to 31 October	5.6097	2.4738	2.8834

Portfolio Information

Spread of investments	% of net assets as at 31.10.13	% of net assets as at 31.10.12
Euro Denominated Short Term Bonds	1.99	0.65
Euro Denominated Medium Term Bonds	3.76	1.00
Euro Denominated Long Term Bonds	1.42	0.33
Euro Denominated Derivatives	(0.64)	(0.07)
Sterling Denominated Short Term Bonds	7.16	15.81
Sterling Denominated Medium Term Bonds	32.89	33.61
Sterling Denominated Long Term Bonds	43.59	41.39
Sterling Denominated Derivatives	0.01	0.03
US Dollar Denominated Short Term Bonds	0.55	0.00
US Dollar Denominated Medium Term Bonds	0.38	0.45
US Dollar Denominated Long Term Bonds	4.21	0.00
US Dollar Denominated Derivatives	(0.46)	0.02
Net other assets	5.14	6.78

Portfolio Information (continued)

	% of net assets as at 31.10.13		% of net assets as at 31.10.12
Major holdings			
Treasury 6% Stock 2028	5.57	Treasury 6% Stock 2028	3.49
Treasury 1% Stock 2017	1.52	Treasury 4% Stock 2022	2.08
Verizon Communications 6.55% Notes 2043	1.32	Barclays Bank 14% Perpetual Bonds	0.86
RWE Finance 7% Perpetual Bonds	1.27	Barclays Bank 10% Notes 2021	0.84
FirstGroup 5.25% Notes 2022	1.12	European Investment Bank 6.25% Bonds 2014	0.80
Aviva 5.9021% Perpetual Bonds	1.09	European Investment Bank 6% Bonds 2028	0.77
Digital Stout 4.25% Notes 2025	1.07	Segro 6.75% Notes 2021	0.73
EDF 6% Perpetual Notes	1.07	AT&T 7% Notes 2040	0.70
KPN 6.875% Notes 2073	1.05	KFW 3.25% Bonds 2014	0.69
Segro 6.75% Notes 2021	0.89	Scottish & Southern Energy Sterling 5.45% Perpetual Bonds	0.64

Investment Objective & Policy

The fund's investment objective is to provide capital growth and income primarily through investment in non-government debt securities.

The fund may also invest in a wide range of investments including transferable securities, derivatives, cash, deposits, collective investment schemes 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 invests in higher yielding bonds (non-investment grade). The risk of default is higher with non-investment grade bonds than with investment grade bonds. Higher yielding bonds may also have an increased potential to erode your capital sum than lower yielding bonds.

The fund uses derivatives for specific investment purposes. This involves a higher degree of risk and may lead to a higher volatility in the unit prices of the fund. The Manager employs a risk management process to allow the Manager to measure derivative and forward positions and their contribution to the overall risk profile of the fund. As part of this risk management process, the Manager conducts daily value at risk analysis of the fund and performs both stress and back testing of the fund.

As a result of the annual management charge being charged wholly to capital, except for X Accumulation (Gross) units, 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 All Maturities Corporate Bond Fund for the year ended 31 October 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

With effect from 31 December 2012 the initial management charge was removed for A Income units and A Accumulation units.

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.

Schroders is required by the European Union Savings Directive to report payments to HM Revenue and Customs that are made by the fund to investors living in other European Union member states.

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.

