

Schroder

Global Emerging Markets Fund

Final Short Report

1 April 2013 to 31 March 2014



Schroders

Schroder Global Emerging Markets Fund

Review of Investment Activities

From 28 March 2013 to 31 March 2014, the price of A Accumulation units on a selling price to selling price basis fell 11.13%. In comparison, the MSCI Emerging Markets Index generated a negative net return of 10.02%^{1 2} in sterling terms.

1 Source: Thomson Reuters Datastream.

2 The fund and benchmark have different pricing points (intra-day versus closing price respectively) so there may be a performance timing effect at month end. Due to recent market volatility, this timing effect may be larger than usual during specific periods and may have either a positive or negative impact on the NAV. However, these effects are expected to even out over time.

Global emerging markets (GEMs) performed poorly on concerns about a withdrawal of global liquidity, slowing Chinese growth and elevated political risk in some countries.

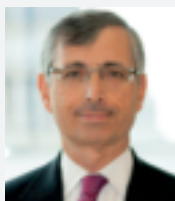
The fund underperformed the index. Country allocation was a small negative but stock selection was positive. The country underweights to Chile and Indonesia added value, as did the off benchmark position in the United Arab Emirates (UAE). This was offset by the overweight to Thailand and the underweights to South Africa and Taiwan (earlier in the period). Stock selection was positive in China and South Africa. It was negative in Brazil and South Korea.

Over the period we have generally been positioned in markets set to benefit from an improvement in global growth and have limited our exposure to perceived weaker economies vulnerable to a reduction in global liquidity. We have been consistently overweight Korea and moved Taiwan from an underweight to a neutral position. Amongst other strategy changes, we took Hungary to a small overweight and took Turkey and Thailand from overweight to neutral. We also established off benchmark positions in the UAE and Qatar.

As 2014 progresses we expect the market backdrop to become more benign for GEMs and for headwinds to dissipate. Specifically, we expect increased investor recognition of a tighter globally liquidity environment, ongoing economic adjustment by the so called fragile countries, the conclusion of several elections and improved visibility in the Chinese authorities' ability to orchestrate a stabilisation in growth. We believe this should place GEMs well to potentially deliver a strong and sustained period of absolute and relative performance versus developed markets, not least given GEMs are trading at attractive valuations versus history and at a significant discount to developed markets.



**Co-Fund
Manager:**
**Robert
Davy**



**Co-Fund
Manager:**
**Allan
Conway**

Fund Information

	Interim	Final
Accounting dates	30 September	31 March
Revenue allocation date		31 May

Ongoing charges figure	For the year to 31.3.14	For the year to 31.3.13
A Income units	1.73%	1.73%
A Accumulation units	1.73%	1.73%
S Income units	0.61% ¹	–
Z Income units	0.98%	0.98%
Z Accumulation units	0.98%	0.98%

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

Performance Record

Fund performance	Net Asset Value as at 31.3.14 pence per unit	Net Asset Value as at 31.3.13 pence per unit	Net Asset Value % change
A Income units	123.11	139.04	(11.46)
A Accumulation units	131.56	147.71	(10.93)
S Income units	51.70	–	–
Z Income units	51.50	58.19	(11.50)
Z Accumulation units	52.89	58.94	(10.26)

	3 months	1 year	5 years
Schroder Global Emerging Markets Fund	(3.61)%	(11.13)%	59.48%
MSCI Emerging Markets Index	(1.08)%	(10.02)%	69.03%

Fund Source: A Accumulation units on a selling price to selling price basis to 31.3.14.

Index Source: Thomson Reuters Datastream, net return in sterling terms to 31.3.14.

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		S Income units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
Year to 31 December						
2009	129.50	68.55	135.20	70.85	–	–
2010	149.10	111.80	156.10	116.80	–	–
2011	151.70	104.70	158.80	110.00	–	–
2012	139.90	114.70	146.90	121.40	–	–
2013	146.20	118.50	154.60	125.90	–	–
2014 to 31 March	127.30	117.30	135.20	124.60	51.81	48.96

	Z Income units		Z Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
Year to 31 December				
2009	–	–	–	–
2010	–	–	–	–
2011	50.49	46.22	50.49	46.22
2012	56.49	48.11	56.49	48.10
2013	61.67	49.69	61.68	50.33
2014 to 31 March	53.56	49.43	54.27	50.08

Net revenue	A Income units	A Accumulation units	S Income units
Year to 31 December	pence per unit	pence per unit	pence per unit
2009	0.7993	0.8261	–
2010	0.2942	0.3084	–
2011	0.5670	0.5959	–
2012	0.8514	0.8850	–
2013	0.6381	0.6761	–
2014 to 31 March	0.7349	0.7785	0.0247

	Z Income units	Z Accumulation units
Year to 31 December	pence per unit	pence per unit
2009	–	–
2010	–	–
2011	Nil	Nil
2012	Nil ¹	Nil ¹
2013	0.7383	0.7383
2014 to 31 March	0.7062	0.7174

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

Portfolio Information

	% of net assets as at 31.3.14	% of net assets as at 31.3.13
Spread of investments		
Emerging Markets Funds	2.00	0.00
China/Hong Kong	21.92	18.06
India	6.85	4.81
Indonesia	0.00	1.18
Malaysia	2.04	3.49
Philippines	0.98	1.10
South Korea	19.07	18.18
Taiwan	11.86	6.82
Thailand	2.26	6.07
Cayman Islands	0.00	0.20
Czech Republic	0.27	0.28
Egypt	0.24	0.53
Greece	0.59	0.00
Hungary	1.53	0.23
Jersey	0.00	0.29
Netherlands	0.00	0.20
Poland	1.45	1.42
Portugal	0.33	0.00
Qatar	0.44	0.62
Russia	7.80	8.94
South Africa	2.75	2.11
Turkey	1.54	5.10
United Arab Emirates	1.01	0.00
Brazil	10.36	12.71
Colombia	0.00	1.11
Mexico	3.17	5.53
Peru	0.45	0.00
United States	0.00	0.55
Net other assets	1.09	0.47

Portfolio Information (continued)

	% of net assets as at 31.3.14		% of net assets as at 31.3.13
Major holdings			
Samsung Electronics	5.13	Samsung Electronics	6.39
Taiwan Semiconductor Manufacturing	3.44	China Construction Bank H	2.63
Tencent Holdings	3.33	Lukoil ADR	2.53
Hyundai Motor	3.32	Taiwan Semiconductor Manufacturing	2.47
China Petroleum & Chemical H	2.80	Sberbank of Russia ADR	2.40
China Construction Bank H	2.58	Hyundai Motor	2.14
Lukoil ADR	2.44	Itau Unibanco Holding ADR	1.71
Hon Hai Precision Industry	2.22	China Petroleum & Chemical H	1.68
Itau Unibanco Holding ADR	1.93	LG Chem	1.59
HDFC Bank	1.79	Tencent Holdings	1.56

Investment Objective & Policy

The fund's investment objective is to achieve long term capital growth by investing in the emerging markets of the world.

The fund will invest in equity or equity related securities (including warrants and convertible securities) and fixed interest securities which provide exposure to emerging markets.

The portfolio may also include shares in investment trusts and other closed end funds which are themselves dedicated to investment in emerging markets, as well as in securities of companies which, whilst listed on eligible stock exchanges, conduct a significant proportion of their business in emerging market countries and may, therefore, be expected to participate in their growth.

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 and reward indicator changed from 7 to 6 with effect from 18 September 2013.

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 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 invests in smaller companies which may be less liquid than larger companies and price swings may therefore be greater than in larger company funds.

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 Emerging Markets Fund for the year ended 31 March 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.

