

Schroder

Asian Alpha Plus Fund

Final Short Report

1 July 2012 to 30 June 2013



Schroders

Schroder Asian Alpha Plus Fund

Review of Investment Activities

From 29 June 2012 to 28 June 2013 the price of A Accumulation units on a dealing price to dealing price basis rose 15.30%. In comparison, the MSCI All Country Far East ex Japan Index generated a net return of 12.79%¹ in sterling terms.

1 Source: Thomson Reuters Datastream.

Globally weak sentiment in mid 2012 was turned around by a surge in equities, fuelled by a flood of liquidity back into Emerging Markets following coordinated global easing late in the third quarter of 2012. The following months saw markets record impressive gains and this continued into the first quarter of 2013, before a pullback in the second quarter on renewed China worries and the possibility of the end of quantitative easing.

Two of the best performing countries for the fund over the period were Hong Kong and Korea. Hong Kong was up on our strong stock selection and overweight position, where the market performed well on the back of rising property prices. Our Korea holdings contributed strongly through positive stock selection and our underweight position – market gains were limited as exporters faced the threat of eroding competitiveness via Japan's weakening yen.

Looking ahead, despite remaining cautious over China we are still finding many opportunities in quality blue chips in ASEAN and Hong Kong that, in our view, have been oversold recently. The region continues to remain attractive on the back of its positive demographics, structural growth story and rising middle class. We continue to adhere to our disciplined bottom up stockpicking approach.



Fund Manager:
Matthew Dobbs

Fund Information

	Interim	Final
Accounting dates	31 December	30 June
Revenue allocation date		31 August
Ongoing charges figure	For the year to 30.6.13	For the year to 30.6.12
A Income units	1.71%	1.72%
A Accumulation units	1.71%	1.72%
Z Income units	0.96%	0.97%
Z Accumulation units	0.96%	0.97%

Performance Record

Fund performance	Net Asset Value as at 30.6.13 pence per unit	Net Asset Value as at 30.6.12 pence per unit	Net Asset Value % change
A Income units	80.71	69.83	15.58
A Accumulation units	83.04	71.73	15.77
Z Income units	55.17	47.73	15.59
Z Accumulation units	56.33	48.30	16.63

	3 months	1 year	5 years
Schroder Asian Alpha Plus Fund	(6.93)%	15.30%	96.59%
MSCI All Country Far East ex Japan Index	(4.89)%	12.79%	57.42%

Fund Source: A Accumulation units on a dealing price to dealing price basis to 28.6.13.

Index Source: Thomson Reuters Datastream, net return in sterling terms to 28.6.13.

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	51.42	24.69	51.43	24.76
2009	54.63	28.77	57.56	29.25
2010	74.31	50.70	75.49	53.41
2011	75.36	56.71	76.83	58.09
2012	80.59	66.14	82.79	67.76
2013 to 30 June	89.61	76.01	92.05	78.09

	Z Income units		Z Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
Year to 31 December				
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	51.25	38.82	51.36	38.90
2012	55.30	45.37	55.95	45.47
2013 to 30 June	61.67	52.35	62.40	52.97

Net revenue	A Income units	A Accumulation units
Year to 31 December	pence per unit	pence per unit
2008	0.2465	0.2465
2009	0.4689	0.6502
2010	0.2279	0.2534
2011	0.6085	0.6409
2012	0.1910	0.2107
2013 to 30 June	0.1182	0.1242

	Z Income units	Z Accumulation units
Year to 31 December	pence per unit	pence per unit
2008	–	–
2009	–	–
2010	–	–
2011	0.1074	0.1132
2012	0.4849	0.4882
2013 to 30 June	0.4965	0.5011

Portfolio Information

Spread of investments	% of net assets as at 30.6.13	% of net assets as at 30.6.12
Hong Kong	16.01	18.37
India	7.43	3.37
Indonesia	1.87	1.94
Malaysia	0.00	1.03
Philippines	2.03	0.00
Singapore	6.04	10.81
South Korea	13.29	13.14
Sri Lanka	1.30	1.33
Taiwan	14.18	11.05
Thailand	5.84	4.85
Australia	4.18	6.32
Bermuda	14.61	12.85
Canada	0.00	0.45
Cayman Islands	3.76	6.86
United States	1.76	0.00
Luxembourg	1.83	0.00
Sweden	0.00	1.03
United Kingdom	1.65	1.93
Net other assets	4.22	4.67

Major holdings	% of net assets as at 30.6.13	% of net assets as at 30.6.12
Taiwan Semiconductor Manufacturing	5.16	Jardine Strategic Holdings 5.04
Jardine Strategic Holdings	4.62	Samsung Electronics GDR 4.21
Hyundai Motor	3.68	Taiwan Semiconductor Manufacturing 4.00
Sun Hung Kai Properties	3.58	Swire Pacific A 3.82
Hang Lung Group	2.85	Sun Hung Kai Properties 3.12
LG Chem	2.70	Sembcorp Industries 2.89
Bangkok Bank Public Non-Voting	2.67	CapitaMalls Asia 2.74
Kerry Properties	2.66	Samsung Electronics 2.69
Samsung Electronics GDR	2.61	CNOOC 2.60
Hong Kong Land Holdings	2.34	Hyundai Mobis 2.52



Investment Objective & Policy

The fund's investment objective is to maximise capital growth through investment in securities of the Asia (ex Japan) region.

The emphasis of the fund will be investment in Asian excluding Japanese companies. Fixed interest securities and real estate investment trusts (REITS) may be included in the portfolio.

Investments will be primarily in directly held transferable securities. The fund may also invest in collective investment schemes, cash, deposits, derivatives, warrants and money market instruments.

Risk Profile

Risk and reward indicator

Lower risk

Potentially lower reward

Higher risk

Potentially higher reward



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.

Risk Profile (continued)

Specific risks

The fund is authorised as a non-UCITS retail scheme. The investment and borrowing powers of these types of scheme are wider than those for UCITS funds whilst still aiming to provide a prudent spread of risk.

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 is not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparative index should be used for reference only.

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.

The fund may invest in unregulated collective investment schemes, which involves a higher degree of risk as they are not regulated by the Financial Conduct Authority. The funds may not be readily realisable and priced less frequently than listed shares or authorised unit trusts, and therefore price swings may be more volatile. Unregulated schemes may be closed for subscription and/or redemption, may be subject to certain restrictions or limitations and there is unlikely to be an active secondary market in the shares or units of such underlying schemes. Some schemes may only be available for subscription or redemption on a periodic basis.

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.

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 Asian Alpha Plus Fund for the year ended 30 June 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.

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.



