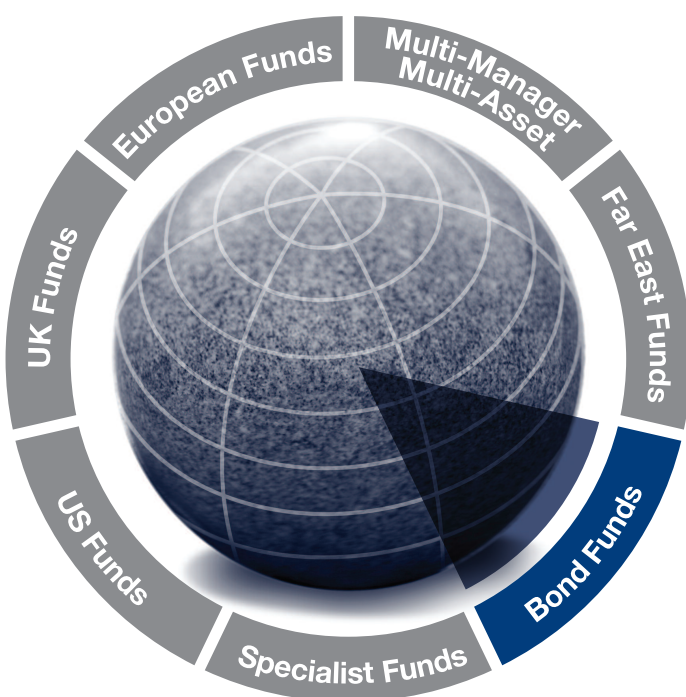


Schroder

All Maturities Corporate Bond Fund

Interim Report and Accounts

April 2014



Schroders

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Schroder

All Maturities Corporate Bond Fund

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1 Collectively these comprise the Authorised Fund Manager's report.

Fund Information

Investment objective and 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.

Financial highlights

Dealing price	30.4.14	31.10.13	% change
A Income units	57.44p	57.91p	(0.81)
A Accumulation units	70.03p	69.11p	1.33
I Income (Gross) units	53.86p	54.10p	(0.44)
I Accumulation (Gross) units	223.50p	218.80p	2.15
X Accumulation (Gross) units	116.30p	113.70p	2.29
Z Income units	60.10p	60.43p	(0.55)
Z Accumulation units	73.23p	72.11p	1.55
	30.6.14	30.6.13	
Interim distribution per Z Income unit	1.2073p	1.1945p	

Fund information

Launch date	24 March 2005	
Launch price	127.70p per I Accumulation (Gross) unit	
	65.07p per X Accumulation (Gross) unit	
Launch date	27 February 2009	
Launch price	50.00p per Z Income unit	
	50.00p per Z Accumulation unit	
Launch date	9 March 2009	
Launch price	50.00p per A Income unit	
	50.00p per A Accumulation unit	
Launch date	28 October 2009	
Launch price	50.00p per I Income (Gross) unit	
	Interim	Final
Accounting dates	30 April	31 October
Revenue allocation dates	30 June	31 December

Fund Information (continued)

Ongoing charges figure

	For the period to 30.4.14	For the year to 31.10.13
A Income units	1.12% ¹	1.12%
A Accumulation units	1.12% ¹	1.12%
I Income (Gross) units	0.27% ¹	0.27%
I Accumulation (Gross) units	0.27% ¹	0.27%
X Accumulation (Gross) units ²	0.02% ¹	0.02%
Z Income units	0.47% ¹	0.47%
Z Accumulation units	0.47% ¹	0.47%

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

2 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.

Total purchases and sales

	For the period to 30.4.14 £000's	For the year to 31.10.13 £000's
Total purchases	293,813	731,571
Total sales	357,755	1,146,729

Review of Investment Activities

From 31 October 2013 to 30 April 2014, the price of I Accumulation (Gross) units on a dealing price to dealing price basis rose from 218.80p to 223.50p, an increase, net of fees, of 2.15%. In comparison, the Bank of America Merrill Lynch Sterling Non-Gilts All Stocks Index generated a total return of 1.83%¹ over the same period.

¹ Source: Thomson Reuters Datastream

As 2013 drew to a close, investors began to anticipate a tightening of market liquidity and potentially monetary policy. The expectation – and subsequent announcement – that the Federal Reserve (Fed) would begin to reduce its bond buying programme, combined with falling unemployment in the US and the UK, pushed government bond yields higher. Yet as 2014 began, the central banks of both the US and the UK sought to assure markets that any tightening would be gradual, and yields fell again. Meanwhile, the background improvement in economic data drew credit spreads in tighter. Both investment grade and high yield bonds posted gains over the timeframe.

The portfolio outperformed the benchmark over the period. The excess returns were generated primarily through a combination of credit sector allocation and individual credit selection. Portfolio credit risk fell during the period but remains above the benchmark, due to our preference for longer dated issues in the US and the UK.

We anticipate that the US and the UK will continue to progress, and that the market may start to bring forward its expectation of a rate hike in these economies. The monetary policy in the eurozone will not, however, warrant a tightening decision for the longer term. In credit markets volatility has been depressed in recent months, and we believe this may become elevated in the remainder of 2014. We will remain vigilant of opportunities provided by any short term sell offs.

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.



Fund Manager:
Alix Stewart

Investment career started in 1994

Joined Schroders in August 2012 as a Credit Portfolio Manager

Prior to joining Schroders Alix worked for the following companies:

2011 – UBS Global AM, Head of UK Fixed Interest

2009 – UBS Global AM, Fund Manager – UK Corporate Bonds

2008 – UBS Global AM, Fund Manager – Global Corporate Bonds

2006 – SWIP, Fund Manager – High Alpha UK Retail Corporate Bonds

2003 – Gartmore, Fund Manager – High Alpha UK Retail Corporate Bonds

1999: Standard Life Investments, Fund Manager – Corporate Bonds

1994: Scottish Mutual (ANFIS) – Fund Manager, Corporate Bonds

1991: Scottish Mutual (ANFIS) – Actuarial Trainee

BSc (Hons) in Economic and Mathematics from University of Leeds

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.

Net Asset Value and Comparative Tables

Unit price range

Year to 31 December	A Income units		A Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
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	59.97	55.17	70.54	65.84
2014 to 30 April	57.56	55.67	70.17	67.86

Year to 31 December	I Income (Gross) units		I Accumulation (Gross) units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
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	55.80	51.20	221.30	206.20
2014 to 30 April	53.96	51.88	224.00	215.30

Year to 31 December	X Accumulation (Gross) units		Z Income units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
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	114.80	106.90	62.41	57.44
2014 to 30 April	116.50	111.90	60.22	58.13

Year to 31 December	Z Accumulation units	
	Highest dealing p	Lowest dealing p
2009	58.68	49.17
2010	62.39	57.58
2011	63.49	60.12
2012	70.08	62.38
2013	73.37	68.54
2014 to 30 April	73.38	70.82

Net Asset Value and Comparative Tables (continued)

Net revenue

Year to 31 December	A Income units pence per unit	A Accumulation units pence per unit
2009	1.6691	1.6755
2010	2.6399	2.7432
2011	2.3085	2.5166
2012	2.1747	2.4739
2013	2.3382	2.7523
2014 to 30 April	1.1342	1.3837

Year to 31 December	I Income (Gross) units pence per unit	I Accumulation (Gross) units pence per unit
2009	0.0403	8.6924
2010	3.0682	10.3066
2011	2.7018	9.7309
2012	2.5537	9.7187
2013	2.7072	10.8057
2014 to 30 April	1.3343	5.5377

Year to 31 December	X Accumulation (Gross) units pence per unit	Z Income units pence per unit
2009	4.4538	1.5526
2010	5.3092	2.7434
2011	5.0188	2.4247
2012	5.0281	2.2956
2013	5.6097	2.4738
2014 to 30 April	2.8792	1.2073

Year to 31 December	Z Accumulation units pence per unit
2009	1.7557
2010	2.8396
2011	2.6026
2012	2.6095
2013	2.8834
2014 to 30 April	1.4689

Net Asset Value and Comparative Tables (continued)

Net asset value

As at 31 October	Net asset value £000's	Net asset value per unit p	Number of units in issue
2011			
A Income units	33,771	53.44	63,188,713
A Accumulation units	4,921	60.19	8,175,321
I Income (Gross) units	22,541	48.88	46,109,779
I Accumulation (Gross) units	723,582	183.69	393,909,893
X Accumulation (Gross) units	574,449	94.91	605,232,995
Z Income units	40,362	55.13	73,216,834
Z Accumulation units	2,966	62.04	4,780,917
2012			
A Income units	13,832	56.52	24,471,004
A Accumulation units	4,362	66.20	6,589,419
I Income (Gross) units	19,164	52.11	36,777,461
I Accumulation (Gross) units	791,290	205.77	384,555,108
X Accumulation (Gross) units	622,429	106.58	583,975,333
Z Income units	38,402	58.63	65,499,878
Z Accumulation units	807	68.63	1,175,343
2013			
A Income units	6,331	56.30	11,244,956
A Accumulation units	3,580	68.63	5,215,544
I Income (Gross) units	10,626	52.31	20,313,410
I Accumulation (Gross) units	646,179	217.16	297,560,384
X Accumulation (Gross) units	330,061	112.79	292,624,642
Z Income units	29,192	58.73	49,703,718
Z Accumulation units	5,844	71.57	8,165,549
2014 at 30 April			
A Income units	4,499	56.23	8,002,131
A Accumulation units	1,936	69.93	2,767,752
I Income (Gross) units	9,342	52.44	17,813,860
I Accumulation (Gross) units	621,468	223.19	278,446,347
X Accumulation (Gross) units	303,017	116.07	261,063,851
Z Income units	32,654	58.82	55,520,049
Z Accumulation units	9,146	73.13	12,506,460

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.

Portfolio Statement

	Holding at 30.4.14	Market Value £000's	% of net assets
Euro Denominated Short Term Bonds 3.50%			
(31.10.13 – 1.99%)			
BPE Financiaciones 2.875% Bonds 2016	€7,400,000	6,194	0.63
OTE 4.625% Notes 2016	€5,550,000	4,739	0.48
Royal Bank of Scotland 1.5% Notes 2016	€6,100,000	5,055	0.52
Viridian Group 11.125% Bonds 2017	€3,562,000	3,260	0.33
FGA Capital 4% Notes 2018	€4,000,000	3,510	0.36
Autonomous Community of Madrid 2.875% Notes 2019	€4,886,000	4,175	0.43
Banca Monte Dei Paschi di Siena 3.625% Notes 2019	€4,840,000	4,049	0.41
FGA Capital 2.625% Notes 2019	€1,900,000	1,570	0.16
Unione di Banche Italiane 2.875% Notes 2019	€2,100,000	1,790	0.18
		34,342	3.50
Euro Denominated Medium Term Bonds 4.59%			
(31.10.13 – 3.76%)			
Coventry Building Society 2.5% Bonds 2020	€6,900,000	5,811	0.59
HeidelbergCement 7.5% Notes 2020	€3,747,000	3,815	0.39
Fiat Finance & Trade 4.75% Notes 2021	€3,300,000	2,822	0.29
Wind Acquisition Finance 7% Notes 2021	€3,700,000	3,145	0.32
Numericable Group 5.375% Bonds 2022	€700,000	596	0.06
Caixabank 5% Notes 2023	€5,700,000	5,023	0.51
UnityMedia 5.75% Notes 2023	€3,342,000	2,967	0.30
Swedbank 2.375% Notes 2024	€5,800,000	4,794	0.49
ING Bank 3.625% Notes 2026	€5,500,000	4,598	0.47
Microsoft 3.125% Bonds 2028	€13,300,000	11,562	1.17
		45,133	4.59
Euro Denominated Long Term Bonds 1.75%			
(31.10.13 – 1.42%)			
Mapfre 5.921% Notes 2037	€3,800,000	3,316	0.34
Deutsche Annington Finance 4.625% Notes 2074	€3,100,000	2,552	0.26
Royal Bank of Scotland 0.9130% Perpetual Notes	€3,070,000	2,401	0.24

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
Euro Denominated Long Term Bonds (continued)			
SSE 5.625% Perpetual Bonds	€4,929,000	4,382	0.45
Telefonica Europe 5.875% Perpetual Bonds	€5,300,000	4,532	0.46
		17,183	1.75
Euro Denominated Derivatives (1.00)%			
(31.10.13 – (0.64)%)			
Forward to buy €700,000 for £575,837	€700,000	0	0.00
Forward to sell €113,760,595 for £93,629,831	€(113,760,595)	83	0.01
Euro Schatz Futures June 2014	505	(27)	0.00
Euro Bobl Futures June 2014	277	94	0.01
Euro Bund Futures June 2014	677	704	0.07
Telecom Italia 2015 Credit Default Swap Buy Protection ¹	€4,895,000	(30)	0.00
Barclays Bank Stora Enso 2016 Credit Default Swap Buy Protection ¹	€2,070,000	(182)	(0.02)
BNP Paribas Akzo Nobel 2016 Credit Default Swap Buy Protection ¹	€5,070,000	(73)	(0.01)
Credit Suisse Stora Enso 2016 Credit Default Swap Buy Protection ¹	€8,100,000	(763)	(0.08)
Credit Suisse Telecom Italia 2016 Credit Default Swap Buy Protection ¹	€7,640,000	(9)	0.00
Deutsche Bank Akzo Nobel 2016 Credit Default Swap Buy Protection ¹	€1,690,000	(24)	0.00
Deutsche Bank HeidelbergCement 2016 Credit Default Swap Buy Protection ¹	€8,210,000	(669)	(0.07)
Holcim 2016 Credit Default Swap Buy Protection ¹	€10,750,000	(141)	(0.02)
JPMorgan Chase Bank Akzo Nobel 2016 Credit Default Swap Buy Protection ^{1 2}	€4,220,000	(61)	(0.01)
JPMorgan Chase Bank HeidelbergCement 2016 Credit Default Swap Buy Protection ^{1 2}	€4,120,000	(336)	(0.03)

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
Euro Denominated Derivatives (continued)			
JPMorgan Chase Bank Stora Enso 2016 Credit Default Swap Buy Protection ^{1 2}	€2,060,000	(181)	(0.02)
UPM-Kymmene 2016 Credit Default Swap Buy Protection ¹	€12,330,000	(1,011)	(0.10)
Adecco 2017 Credit Default Swap Buy Protection ¹	€7,500,000	(136)	(0.01)
Metro 2017 Credit Default Swap Buy Protection ^{1 2}	€15,200,000	(31)	0.00
ST Microelectronics 2017 Credit Default Swap Buy Protection ¹	€14,050,000	(183)	(0.01)
Anheuser-Busch 2018 Credit Default Swap Buy Protection ¹	€12,560,000	(274)	(0.03)
Banco Bilbao Vizcaya Argentaria 2018 Credit Default Swap Buy Protection ¹	€6,610,000	(518)	(0.05)
Barclays Bank Telefonica 2018 Credit Default Swap Buy Protection ¹	€1,050,000	(9)	0.00
Barclays Bank Telenor 2018 Credit Default Swap Buy Protection ¹	€9,640,000	(207)	(0.02)
Citigroup Telefonica 2018 Credit Default Swap Buy Protection ¹	€1,040,000	(9)	0.00
Credit Agricole 2018 Credit Default Swap Buy Protection ¹	€7,240,000	(600)	(0.06)
GKN Holdings 2018 Credit Default Swap Buy Protection ¹	€6,000,000	(55)	(0.01)
JPMorgan Chase Bank Telefonica 2018 Credit Default Swap Buy Protection ^{1 2}	€1,430,000	(12)	0.00
JPMorgan Chase Bank Telenor 2018 Credit Default Swap Buy Protection ^{1 2}	€7,750,000	(166)	(0.02)
Rallye 2018 Credit Default Swap Buy Protection ¹	€3,340,000	(319)	(0.03)
Societe Generale 2018 Credit Default Swap Buy Protection ¹	€7,240,000	(571)	(0.06)
Vivendi 2018 Credit Default Swap Buy Protection ^{1 2}	€2,400,000	(41)	0.00
Volkswagen 2018 Credit Default Swap Buy Protection ¹	€16,980,000	(378)	(0.04)
Wolters Kluwer 2018 Credit Default Swap Buy Protection ¹	€9,000,000	(150)	(0.02)
iTraxx Europe Crossover 2019 Credit Default Swap Buy Protection ¹	€43,628,000	(3,900)	(0.40)

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
Euro Denominated Derivatives (continued)			
Barclays Bank Cerved Group 2018 Credit Default Swap Sell Protection ¹	€672,000	64	0.01
BNP Paribas New Look 2018 Credit Default Swap Sell Protection ¹	€825,000	46	0.00
Citigroup Cerved Group 2018 Credit Default Swap Sell Protection ¹	€672,000	64	0.01
Credit Suisse Heathrow Funding 2018 Credit Default Swap Sell Protection ¹	€14,250,000	190	0.02
Credit Suisse New Look Bondco 2018 Credit Default Swap Sell Protection ¹	€1,828,000	102	0.01
JPMorgan Chase Bank Heathrow Funding 2018 Credit Default Swap Sell Protection ^{1 2}	€15,750,000	210	0.02
JPMorgan Chase Bank SSE 2018 Credit Default Swap Sell Protection ^{1 2}	€1,450,000	8	0.00
Lloyds TSB Bank 2018 Credit Default Swap Sell Protection ¹	€23,000,000	325	0.03
Morgan Stanley New Look 2018 Credit Default Swap Sell Protection ¹	€447,000	25	0.00
Royal Bank of Scotland 2018 Credit Default Swap Sell Protection ¹	€6,390,000	33	0.00
BNP Paribas Ladbrokes 2019 Credit Default Swap Sell Protection ¹	€1,840,000	(123)	(0.01)
Credit Suisse Ladbrokes 2019 Credit Default Swap Sell Protection ¹	€2,100,000	(141)	(0.02)
Credit Suisse Schaeffler 2019 Credit Default Swap Sell Protection ¹	€970,000	124	0.01
Credit Suisse Suedzucker Aktiengesellschaft 2019 Credit Default Swap Sell Protection ¹	€12,370,000	20	0.00
Credit Suisse WPP 2019 Credit Default Swap Sell Protection ¹	€4,294,000	69	0.01
Deutsche Bank Ladbrokes 2019 Credit Default Swap Sell Protection ¹	€864,000	(58)	0.00
Goldman Ladbrokes 2019 Credit Default Swap Sell Protection ¹	€1,976,000	(133)	(0.01)
Merrill Lynch International WPP 2019 Credit Default Swap Sell Protection ¹	€2,964,000	48	0.00

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
Euro Denominated Derivatives (continued)			
Morgan Stanley Interest Rate Swap 17.3.23 receive 3.4825% pay 0.62063% ¹	€1,440,000	61	0.01
Barclays Bank Interest Rate Swap 6.12.28 receive 0.332% pay 2.443 ¹	€11,760,000	(396)	(0.04)
Royal Bank of Scotland Interest Rate Swap 20.6.43 receive 3.22% pay 0.61156% ¹	€27,900,000	(220)	(0.02)
Goldman Interest Rate Swap 4.12.43 receive 3.355% pay 0.60031% ¹	€4,550,000	82	0.01
Royal Bank of Scotland Interest Rate Swap 13.2.54 receive 0.61688% pay 3.2925% ¹	€5,000,000	(60)	(0.01)
		(9,845)	(1.00)
Sterling Denominated Short Term Bonds 7.97%			
(31.10.13 – 7.16%)			
HFC Bank 7% Notes 2015	£252,000	271	0.03
Lloyds TSB Bank 6.625% Notes 2015	£882,000	918	0.09
Royal Bank of Scotland 9.675% Bonds 2015	£7,320,000	7,893	0.80
Treasury 2.75% Stock 2015	£290,000	295	0.03
Koninklijke KPN 5.75% Bonds 2016	£100,000	107	0.01
Kreditanst Fur Wie 1.75% Notes 2016	£167,000	169	0.02
London Power Networks 5.375% Notes 2016	£100,000	109	0.01
Next 5.875% Bonds 2016	£450,000	493	0.05
Rolls-Royce 7.375% Notes 2016	£195,000	219	0.02
Stagecoach Group 5.75% Bonds 2016	£1,004,000	1,094	0.11
Treasury 2% Stock 2016	£486,000	497	0.05
United Business Media 6.5% Bonds 2016	£987,000	1,090	0.11
Wales & West Utilities Finance 5.125% Notes 2016	£441,000	478	0.05
American International Group 6.765% Notes 2017	£1,876,000	2,146	0.22
Barclays Bank 1.5% Notes 2017	£832,000	834	0.08
Close Brothers Group 6.5% Bonds 2017	£5,263,000	5,733	0.58
European Investment Bank 4.125% Notes 2017	£503,000	545	0.06

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
Sterling Denominated Short Term Bonds (continued)			
Goldman Sachs Group 6.125% Notes 2017	£1,170,000	1,284	0.13
Holcim GB Finance 8.75% Notes 2017	£352,000	417	0.04
JPMorgan Chase Bank 6.128% Bonds 2017 ²	£3,800,000	3,715	0.38
Lloyds TSB Bank 1.5% Bonds 2017	£2,340,000	2,346	0.24
Morgan Stanley 5.75% Notes 2017	£962,000	1,054	0.11
Royal Bank of Scotland 6% Notes 2017	£607,000	672	0.07
Treasury 1% Stock 2017	£15,930,000	15,745	1.60
Treasury 1.75% Stock 2017	£239,000	243	0.03
WPP Group 6% Bonds 2017	£1,235,000	1,368	0.14
Anglian Water (Osprey) Financing 7% Notes 2018	£550,000	594	0.06
Citigroup 5.125% Bonds 2018	£1,883,000	2,034	0.21
Daily Mail & General Trust 5.75% Bonds 2018	£1,618,000	1,794	0.18
Enterprise Inns 6.5% Notes 2018	£3,087,000	3,280	0.33
European Investment Bank 4.75% Bonds 2018	£3,008,000	3,358	0.34
Heathrow Funding 6.25% Bonds 2018	£1,015,000	1,140	0.12
Odeon & UCI Financial 9% Notes 2018	£3,010,000	3,176	0.32
Royal Bank of Scotland 6.625% Bonds 2018	£2,805,000	3,252	0.33
Severn Trent Water Utilities Finance 6% Notes 2018	£150,000	169	0.02
Treasury 5% Stock 2018	£426,000	482	0.05
John Lewis 8.375% Notes 2019	£4,741,000	5,862	0.60
Porterbrook Rail Finance 5.5% Notes 2019	£882,000	971	0.10
Thames Water (Kemble) Finance 7.75% Notes 2019	£2,256,000	2,464	0.25
		78,311	7.97
Sterling Denominated Medium Term Bonds 33.90%			
(31.10.13 – 32.89%)			
Bank of Scotland 6.375% Notes 2019	£804,000	900	0.09
Heathrow Finance 5.375% Notes 2019	£4,762,000	5,010	0.51

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
Sterling Denominated Medium Term Bonds (continued)			
HSBC Finance 6.25% Bonds 2019	£252,000	292	0.03
Nationwide Building Society 5.625% Notes 2019	£1,755,000	1,996	0.20
Rolls-Royce 6.75% Notes 2019	£1,254,000	1,493	0.15
Treasury 3.75% Stock 2019	£971,000	1,061	0.11
AA 4.2487% Notes 2020	£4,500,000	4,561	0.46
Arqiva Broadcast 9.5% Bonds 2020	£1,800,000	2,061	0.21
British Land 6.75% Bonds 2020	£335,000	387	0.04
Eversholt Funding 5.831% Notes 2020	£500,000	568	0.06
Gazprom 5.338% Notes 2020	£3,200,000	3,131	0.32
Great Rolling Stock 6.25% Notes 2020	£1,603,000	1,847	0.19
Heathrow Funding 6% Bonds 2020	£400,000	446	0.05
HSBC Bank 4.75% Bonds 2020	£1,162,000	1,196	0.12
Jaguar Land Rover 8.25% Bonds 2020	£4,457,000	5,032	0.51
Kelda Finance 5.75% Notes 2020	£6,442,000	6,571	0.67
Lloyds TSB Bank 6.9625% Bonds 2020	£3,387,000	3,539	0.36
National Grid Gas 6.375% Notes 2020	£650,000	767	0.08
Porterbrook Rail Finance 6.5% Bonds 2020	£1,705,000	1,997	0.20
Southern Gas Network 4.875% Bonds 2020	£530,000	581	0.06
William Hill 4.25% Notes 2020	£6,200,000	6,122	0.62
Annington Finance No.1 8% Bonds 2021	£302,158	365	0.04
Bank of America 6.125% Notes 2021	£1,800,000	2,111	0.21
Bank of Scotland 9.375% Bonds 2021	£1,240,000	1,602	0.16
Danske Bank 5.375% Notes 2021	£5,900,000	6,263	0.64
DWR Cymru Financing 6.907% Bonds 2021	£4,815,000	5,863	0.60
Enterprise Inns 6.875% Bonds 2021	£5,690,000	6,000	0.61
Experian Finance 3.5% Notes 2021	£2,200,000	2,218	0.23
Friends Life Group 6.875% Notes 2021	£103,000	106	0.01
Friends Life Group 12% Notes 2021	£441,000	584	0.06

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
Sterling Denominated Medium Term Bonds (continued)			
Goldman Sachs Group 5.5% Notes 2021	£1,170,000	1,276	0.13
Lloyds TSB Bank 10.75% Notes 2021	£1,128,000	1,347	0.14
Lynx I 6% Bonds 2021	£3,406,000	3,576	0.36
Merrill Lynch 5.5% Notes 2021	£7,538,000	8,259	0.84
Next 5.375% Notes 2021	£6,986,000	7,855	0.80
RWE Finance 6.5% Notes 2021	£1,337,000	1,578	0.16
Segro 6.75% Notes 2021	£7,679,000	9,247	0.94
Southern Water Services Finance 5% Bonds 2021	£70,000	76	0.01
Spirit Issuer A3 5.86% Bonds 2021	£3,034,000	2,988	0.30
Wales & West Utilities Finance 6.25% Bonds 2021	£618,000	734	0.08
Wellcome Trust Finance 4.75% Notes 2021	£706,000	787	0.08
Anglian Water Services Finance 5.837% Bonds 2022	£618,000	719	0.07
Annington Finance (No.4) 0% Bonds 2022	£4,060,000	3,019	0.31
Centrica 6.375% Notes 2022	£1,191,000	1,414	0.14
Coventry Building Society 5.875% Notes 2022	£1,004,000	1,170	0.12
EDF 6.875% Notes 2022	£250,000	313	0.03
FirstGroup 5.25% Notes 2022	£10,923,000	11,639	1.19
FirstGroup 6.875% Notes 2022	£3,263,000	3,851	0.39
Friends Life Group 8.25% Notes 2022	£3,312,000	3,730	0.38
Glencore Finance 6% Bonds 2022	£5,445,000	6,081	0.62
Global Switch Holdings 4.375% Notes 2022	£4,200,000	4,324	0.44
HSBC Holdings 6.375% Notes 2022	£2,600,000	2,874	0.29
Imperial Tobacco 9% Notes 2022	£2,340,000	3,140	0.32
Intercontinental Hotels 3.875% Bonds 2022	£5,013,000	5,041	0.51
Land Securities Capital Markets A3 5.425% Notes 2022	£700,000	795	0.08
Petroleos Mexicanos 8.25% Bonds 2022	£1,864,000	2,352	0.24
American International Group 5% Notes 2023	£1,250,000	1,372	0.14
Anglian Water 6.875% Bonds 2023	£1,861,000	2,300	0.23

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
Sterling Denominated Medium Term Bonds (continued)			
Annington Finance (No.4) 0% Bonds 2023	£1,730,000	1,802	0.18
Annington Finance (No.4) 6.5676% Bonds 2023	£1,000,000	723	0.07
BUPA Finance 5% Notes 2023	£5,289,000	5,369	0.55
Credit Agricole 7.375% Notes 2023	£1,050,000	1,281	0.13
HSBC Bank 5% Notes 2023	£863,000	914	0.09
Intu Finance 3.875% Bonds 2023	£3,411,000	3,378	0.34
Lloyds TSB Bank 9.625% Bonds 2023	£876,000	1,176	0.12
Nestle Finance International 2.25% Notes 2023	£7,937,000	7,414	0.76
Southern Gas Network 4.875% Notes 2023	£800,000	866	0.09
Unite (USAF) II 3.374% Notes 2023	£3,490,000	3,360	0.34
Western Power Distribution 5.25% Notes 2023	£1,764,000	1,944	0.20
Yorkshire Water Services Odsal Financial 6.5876% Bonds 2023	£550,000	660	0.07
EDF Energy Networks 5.75% Notes 2024	£993,000	1,135	0.12
Gatwick Funding A 5.25% Notes 2024	£882,000	968	0.10
Heathrow Funding 7.125% Notes 2024	£5,971,000	7,187	0.73
Network Rail Infrastructure 4.75% Notes 2024	£1,875,000	2,159	0.22
Royal Bank of Scotland 7.5% Bonds 2024	£2,390,000	3,051	0.31
Digital Stout 4.25% Notes 2025	£11,396,000	10,872	1.11
European Investment Bank 5.5% Bonds 2025	£2,925,000	3,535	0.36
Eversholt Funding 6.359% Notes 2025	£600,000	714	0.07
Goldman Sachs 7.125% Bonds 2025	£1,015,000	1,299	0.13
Heathrow Funding 5.225% Bonds 2025	£1,438,000	1,590	0.16
John Lewis 6.125% Bonds 2025	£618,000	724	0.07
Mitchells & Butlers 5.965% Bonds 2025	£655,081	737	0.08
National Grid 8.75% Bonds 2025	£750,000	1,073	0.11
Thames Water Utilities Cayman 5.375% Bonds 2025	£2,651,000	2,842	0.29

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
Sterling Denominated Medium Term Bonds (continued)			
Treasury 5% Stock 2025	£227,000	274	0.03
Western Power Distribution 5.5% Notes 2025	£750,000	874	0.09
Yorkshire Water Services Bradford Finance 6% Bonds 2025	£1,393,000	1,515	0.15
ABP Finance 6.25% Notes 2026	£2,507,000	2,950	0.30
Bank of America 4.25% Notes 2026	£9,800,000	10,003	1.02
Citigroup 5.15% Notes 2026	£1,421,000	1,594	0.16
EDF Energy Networks 5.5% Notes 2026	£794,000	897	0.09
Land Securities Capital Markets A4 5.391% Notes 2026	£497,000	572	0.06
NIE Finance 6.375% Notes 2026	£8,283,000	9,918	1.01
Porterbrook Rail Finance 7.125% Notes 2026	£4,381,000	5,578	0.57
Severn Trent 3.625% Notes 2026	£7,549,000	7,275	0.74
Southern Water Services Finance A4 6.64% Notes 2026	£2,826,000	3,496	0.36
Daily Mail & General Trust 6.375% Bonds 2027	£1,500,000	1,688	0.17
Land Securities Capital Markets A5 5.391% Notes 2027	£5,159,000	5,950	0.61
Motability Operations 4.375% Notes 2027	£300,000	311	0.03
Western Power Distribution (South West) 5.875% Bonds 2027	£344,000	395	0.04
BAA Funding 6.75% Notes 2028	£1,692,000	2,123	0.22
Bank of America 7% Notes 2028	£950,000	1,234	0.13
British Land 5.357% Bonds 2028	£669,000	702	0.07
EDF 6.25% Bonds 2028	£1,250,000	1,498	0.15
European Investment Bank 0% Bonds 2028	£7,453,000	4,259	0.43
European Investment Bank 6% Bonds 2028	£7,137,000	9,115	0.93
Gatwick Funding 6.125% Notes 2028	£838,000	987	0.10
Goldman Sachs Group 7.25% Notes 2028	£400,000	520	0.05
KFW 6% Bonds 2028	£425,000	558	0.06
LCR Finance 4.5% Bonds 2028	£114,000	127	0.01
SSE 8.375% Notes 2028	£1,235,000	1,768	0.18
Treasury 6% Stock 2028	£8,028,749	10,805	1.10
Wales & West Utilities Finance 5% Notes 2028	£400,000	431	0.04

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
Sterling Denominated Medium Term Bonds (continued)			
Anglian Water Services Finance 6.625% Bonds 2029	£978,000	1,227	0.13
BPCE 5.25% Notes 2029	£7,100,000	7,116	0.73
Centrica 4.375% Notes 2029	£1,852,000	1,848	0.19
Southern Gas Network 4.875% Bonds 2029	£920,000	984	0.10
Southern Water Services Finance 6.192% Bonds 2029	£882,000	1,056	0.11
		332,948	33.90
Sterling Denominated Long Term Bonds 35.81%			
(31.10.13 – 43.59%)			
DirecTV 4.375% Notes 2029	£4,234,000	4,001	0.41
European Investment Bank 4.5% Bonds 2029	£2,424,000	2,680	0.27
Land Securities Capital Markets A6 5.376% Notes 2029	£794,000	913	0.09
Severn Trent Utilities Finance 6.25% Bonds 2029	£1,800,000	2,184	0.22
Brit Insurance Holdings 6.625% Notes 2030	£1,464,000	1,471	0.15
HSBC Bank 5.375% Notes 2030	£2,632,000	2,789	0.28
Mitchells & Butlers 5.574% Bonds 2030	£1,034,713	1,172	0.12
Mitchells & Butlers 6.013% Bonds 2030	£896,000	1,020	0.10
Motability Operations 5.625% Notes 2030	£800,000	945	0.10
Network Rail Infrastructure Finance 4.375% Notes 2030	£4,926,000	5,492	0.56
RWE Finance 6.25% Notes 2030	£1,860,000	2,202	0.22
South Eastern Power Networks 5.625% Notes 2030	£650,000	732	0.07
Thames Water Utilities Cayman 5.75% Notes 2030	£3,270,000	3,585	0.36
Wales & West Utilities Finance 5.75% Notes 2030	£706,000	817	0.08
EDF 5.875% Bonds 2031	£1,527,000	1,773	0.18
Great Rolling Stock 6.5% Bonds 2031	£1,348,380	1,619	0.16
Greene King Finance A2 5.318% Notes 2031	£595,451	667	0.07
National Grid Electricity Transmission 7.375% Notes 2031	£4,126,000	5,603	0.57

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
Sterling Denominated Long Term Bonds (continued)			
South Eastern Power Networks 6.481% Notes 2031	£706,000	862	0.09
Telereal Secured Finance 4.01% Notes 2031	£164,213	162	0.02
Yorkshire Water Services Odsal Financial 6.6011% Bonds 2031	£459,000	571	0.06
European Investment Bank 5.625% Bonds 2032	£601,000	755	0.08
KFW 5.75% Bonds 2032	£2,700,000	3,529	0.36
Land Securities Capital Markets Class A7 5.396% Notes 2032	£794,000	922	0.09
Mitchells & Butlers 6.469% Bonds 2032	£1,543,000	1,802	0.18
Southern Electric Power Distribution 5.5% Bonds 2032	£1,294,000	1,477	0.15
Thames Water Utilities Finance 6.5% Bonds 2032	£600,000	740	0.08
Western Power Distribution West Midlands 5.75% Notes 2032	£2,029,000	2,316	0.24
Canary Wharf Finance II A1 6.455% Bonds 2033	£2,552,628	3,120	0.32
GlaxoSmithKline Capital 5.25% Notes 2033	£2,424,000	2,791	0.28
Heathrow Funding 6.45% Bonds 2033	£2,196,000	2,715	0.28
Juturna (European Loan Conduit No 16) 5.0636% Bonds 2033	£1,796,035	1,999	0.20
Northumbrian Water Finance 5.625% Bonds 2033	£5,518,000	6,313	0.64
Telereal Securitisation 4.0902% Bonds 2033	£3,843,000	3,872	0.39
Telereal Securitisation 6.1645% Bonds 2033	£3,833,620	4,489	0.46
Greene King Finance 5.106% Notes 2034	£620,000	675	0.07
RWE Finance 4.75% Notes 2034	£1,500,000	1,500	0.15
Scotland Gas Network 4.875% Bonds 2034	£700,000	735	0.07
Thames Water Utilities Cayman 4.375% Bonds 2034	£971,000	947	0.10
Treasury 4.25% Stock 2034	£98,000	115	0.01
Verizon Communications 4.75% Notes 2034	£5,000,000	5,106	0.52

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
Sterling Denominated Long Term Bonds (continued)			
British Land 5.264% Bonds 2035	£753,000	762	0.08
Eversholt Funding 6.697% Notes 2035	£5,234,000	6,377	0.65
Great Rolling Stock 6.875% Notes 2035	£1,180,332	1,440	0.15
Northern Electric Finance 5.125% Bonds 2035	£400,000	431	0.04
Slough Estates 5.75% Notes 2035	£453,000	515	0.05
White City Property Finance 5.1202% Bonds 2035	£894,454	984	0.10
Yorkshire Electricity 5.125% Bonds 2035	£500,000	539	0.05
EDF Energy Networks 6.25% Notes 2036	£882,000	1,078	0.11
Land Securities Capital Markets 5.125% Bonds 2036	£1,235,000	1,406	0.14
Longstone Finance 4.791% Bonds 2036	£1,145,435	1,264	0.13
Longstone Finance 4.896% Notes 2036	£495,000	503	0.05
Spirit Issuer 5.8600% Notes 2036	£3,398,000	3,602	0.37
Treasury 4.25% Stock 2036	£4,371,000	4,971	0.51
Wellcome Trust Finance 4.625% Bonds 2036	£1,204,000	1,314	0.13
Canary Wharf Finance II 1st Mortgage Debenture 5.952% Bonds 2037	£1,005,000	1,247	0.13
EDF 5.5% Notes 2037	£1,300,000	1,433	0.15
Gatwick Funding 5.75% Notes 2037	£600,000	681	0.07
Thames Water Utilities Finance 5.125% Notes 2037	£1,541,000	1,637	0.17
Goldman Sachs Group 6.875% Bonds 2038	£885,000	1,082	0.11
High Speed Rail Finance 4.375% Notes 2038	£4,168,000	4,271	0.43
Pfizer 6.5% Bonds 2038	£3,700,000	4,870	0.50
Southern Water Services Finance 7.869% Bonds 2038	£3,221,000	3,220	0.33
SSE 6.25% Notes 2038	£200,000	248	0.03
Treasury 4.75% Stock 2038	£131,000	161	0.02
Citigroup 7.375% Bonds 2039	£4,287,000	6,209	0.63
GlaxoSmithKline Capital 6.375% Notes 2039	£1,329,000	1,748	0.18

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
Sterling Denominated Long Term Bonds (continued)			
RSA Insurance Group 9.3750% Notes 2039	£1,950,000	2,375	0.24
RWE Finance 6.125% Notes 2039	£5,350,000	6,293	0.64
Treasury 4.25% Stock 2039	£185,000	211	0.02
Yorkshire Water Services 6.375% Bonds 2039	£2,955,000	3,707	0.38
Anglian Water B 5.5% Notes 2040	£380,000	411	0.04
Aspire Defence Finance A 4.674% Bonds 2040	£2,075,000	2,125	0.22
Aspire Defence Finance B 4.674% Bonds 2040	£3,663,000	3,741	0.38
Dong Energy 5.75% Notes 2040	£1,263,000	1,454	0.15
ENEL Finance International 5.75% Bonds 2040	£3,194,000	3,349	0.34
Northern Gas 5.625% Notes 2040	£1,843,000	2,121	0.22
Southern Gas Network 6.375% Notes 2040	£618,000	782	0.08
Treasury 4.25% Stock 2040	£104,000	119	0.01
UPP 4.9023% Notes 2040	£5,531,454	5,736	0.58
Western Power Distribution 5.75% Bonds 2040	£450,000	521	0.05
Western Power Distribution 6.354% Notes 2040	£750,000	925	0.09
Thames Water Cayman 5.5% Notes 2041	£1,015,000	1,141	0.12
GlaxoSmithKline 5.25% Bonds 2042	£2,849,000	3,275	0.33
Northumbrian Water Finance 5.125% Bonds 2042	£882,000	945	0.10
Severn Trent Water Utilities Finance 4.875% Notes 2042	£700,000	724	0.07
Treasury 4.25% Stock 2042	£67,000	80	0.01
Gatwick Funding 6.5% Notes 2043	£794,000	998	0.10
Heathrow Funding 5.875% Bonds 2043	£1,839,000	2,177	0.22
Liverpool Victoria 6.5% Bonds 2043	£4,225,000	4,240	0.43
Places for People Homes 5.09% Bonds 2043	£920,000	994	0.10
AT&T Income 4.875% Bonds 2044	£1,839,000	1,828	0.19
Centrica 4.25% Notes 2044	£1,941,000	1,787	0.18
Treasury 3.25% Stock 2044	£320,000	308	0.03
Heathrow Funding 4.625% Notes 2046	£116,000	114	0.01

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
Sterling Denominated Long Term Bonds (continued)			
Thames Water Utilities Cayman 4.625% Bonds 2046	£971,000	954	0.10
Treasury 4.25% Stock 2046	£96,000	112	0.01
Assicurazioni Generali 6.269% Bonds 2049	£2,100,000	2,173	0.22
Bank of Scotland 8.117% Bonds 2049	£56,000	58	0.01
Treasury 4.25% Stock 2049	£150,000	176	0.02
France Telecom 5.375% Bonds 2050	£1,350,000	1,435	0.15
LCR Finance 5.1% Bonds 2051	£2,590,000	3,369	0.34
Southern Water Services A Finance 4.5% Bonds 2052	£471,000	453	0.05
Notting Hill Housing 4.375% Bonds 2054	£5,750,000	5,762	0.59
Thames Water Cayman 7.241% Bonds 2058	£2,549,000	2,941	0.30
Reseau Ferre de France 4.83% Bonds 2060	£6,057,000	6,794	0.69
Treasury 4% Stock 2060	£96,000	110	0.01
Siemens Financiering 6.125% Notes 2066	£1,888,000	2,035	0.21
American International Group 5.75% Notes 2067	£800,000	820	0.08
Treasury 3.5% Stock 2068	£16,041,982	16,427	1.67
KPN 6.875% Notes 2073	£6,150,000	6,381	0.65
NGG Finance 5.625% Bonds 2073	£5,976,000	6,161	0.63
Enel 7.75% Bonds 2075	£4,420,000	4,884	0.50
United Mexican States 5.625% Notes 2114	£2,458,000	2,419	0.25
Assicurazioni Generali 6.416% Perpetual Notes	£900,000	934	0.10
Aviva 5.9021% Perpetual Bonds	£9,358,000	9,615	0.98
Aviva 6.125% Perpetual Notes	£2,330,000	2,454	0.25
Bank of Scotland 7.281% Perpetual Bonds	£836,000	936	0.10
Bank of Scotland 7.286% Perpetual Bonds	£1,747,000	1,891	0.19
Bank of Scotland 7.754% Perpetual Bonds	£3,545,000	4,009	0.41
Barclays Bank 5.3304% Perpetual Bonds	£5,305,000	4,775	0.49
Barclays Bank 6.125% Perpetual Bonds	£1,714,000	1,717	0.17

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
Sterling Denominated Long Term Bonds (continued)			
Barclays Bank 6.375% Perpetual Bonds	£2,368,000	2,498	0.25
Barclays Bank 7.125% Perpetual Bonds	£3,664,000	3,893	0.40
BNP Paribas 5.954% Perpetual Bonds	£4,750,000	5,074	0.52
Credit Agricole 8.125% Perpetual Bonds	£1,450,000	1,631	0.17
EDF 6% Perpetual Notes	£5,300,000	5,540	0.56
HSBC Bank Funding 5.862% Perpetual Bonds	£3,098,000	3,299	0.34
Legal & General Group 6.385% Perpetual Bonds	£6,550,000	7,009	0.71
Nationwide Building Society 7.971% Perpetual Bonds	£536,000	561	0.06
Old Mutual 6.376% Perpetual Notes	£5,673,000	5,730	0.58
RL Finance 6.125% Perpetual Bonds	£8,773,000	8,956	0.92
RSA Insurance Group 6.701% Perpetual Bonds	£4,228,000	4,449	0.45
RWE Finance 7% Perpetual Bonds	£9,600,000	10,404	1.06
Scottish & Southern Energy Sterling 5.45% Perpetual Bonds	£7,833,000	8,097	0.82
Society of Lloyds 7.421% Perpetual Notes	£1,611,000	1,751	0.18
Zurich Finance 6.625% Perpetual Notes	£1,162,000	1,304	0.13
		351,643	35.81
Sterling Denominated Derivatives (0.01)%			
(31.10.13 – 0.01%)			
Long Gilt Futures June 2014	(327)	(118)	(0.01)
		(118)	(0.01)
US Dollar Denominated Short Term Bonds 0.72%			
(31.10.13 – 0.55%)			
Jaguar Land Rover Automotive 4.125% Notes 2018	US\$809,000	495	0.05
Marfrig Holdings 8.375% Notes 2018	US\$4,460,000	2,658	0.27
Cemex 5.875% Bonds 2019	US\$6,442,000	3,914	0.40
		7,067	0.72

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
US Dollar Denominated Medium Term Bonds 0.20%			
(31.10.13 – 0.38%)			
SPCM 6% Notes 2022	US\$3,110,000	1,953	0.20
		1,953	0.20
US Dollar Denominated Long Term Bonds 5.99%			
(31.10.13 – 4.21%)			
DirecTV 5.15% Bonds 2042	US\$9,000,000	5,162	0.53
21st Century America 5.4% Notes 2043	US\$10,740,000	6,962	0.71
Altria 4.5% Notes 2043	US\$11,000,000	6,140	0.63
Centrica 5.375% Notes 2043	US\$6,700,000	4,159	0.42
Verizon Communications 6.55% Notes 2043	US\$19,063,000	13,899	1.41
Apple 4.45% Notes 2044	US\$10,009,000	5,916	0.60
Bank of America 4.875% Notes 2044	US\$2,800,000	1,681	0.17
Enel 8.75% Bonds 2073	US\$4,400,000	3,003	0.31
AG Insurance 6.75% Perpetual Notes	US\$3,800,000	2,453	0.25
Friends Life Group 7.875% Perpetual Notes	US\$10,283,000	6,699	0.68
La Mondiale 7.625% Perpetual Bonds	US\$4,168,000	2,735	0.28
		58,809	5.99
US Dollar Denominated Derivatives (0.34)%			
(31.10.13 – (0.46)%)			
Forward to buy US\$1,456,556 for £865,044	US\$1,456,556	1	0.00
Forward to sell US\$99,456,105 for £59,310,139	US\$(99,456,105)	170	0.02
US 5 Year Futures June 2014	6	0	0.00
US 10 Year Futures June 2014	(1,050)	(123)	(0.01)
US Long Bond Futures June 2014	(206)	(315)	(0.03)
US Ultra Bond Futures June 2014	(159)	(600)	(0.06)
Citibank Japan 2017 Credit Default Swap Buy Protection ¹	US\$16,250,000	(253)	(0.02)
Credit Suisse Berkshire Hathaway 2017 Credit Default Swap Buy Protection ¹	US\$2,100,000	(30)	0.00

Portfolio Statement (continued)

	Holding at 30.4.14	Market Value £000's	% of net assets
US Dollar Denominated Derivatives (continued)			
Credit Suisse Japan 2017 Credit Default Swap Buy Protection ¹	US\$7,250,000	(113)	(0.01)
Deutsche Bank JPMorgan Chase & Co 2017 Credit Default Swap Buy Protection ¹	US\$8,000,000	(101)	(0.01)
Goldman Sach People's Republic of China 2017 Credit Default Swap Buy Protection ¹	US\$2,100,000	(22)	0.00
Barclays Johnson Controls 2018 Credit Default Swap Buy Protection ¹	US\$13,715,000	(176)	(0.02)
BNP Paribas Lowe's Companies 2018 Credit Default Swap Buy Protection ¹	US\$9,485,000	(177)	(0.02)
JPMorgan Chase Bank Campbell Soup Company 2018 Credit Default Swap Buy Protection ^{1 2}	US\$5,570,000	(79)	(0.01)
JPMorgan Chase Bank Lowe's Companies 2018 Credit Default Swap Buy Protection ^{1 2}	US\$9,865,000	(184)	(0.02)
JPMorgan Chase Bank Newell Rubbermaid 2018 Credit Default Swap Buy Protection ^{1 2}	US\$5,640,000	(66)	(0.01)
JPMorgan Chase Bank Stanley Black & Decker 2018 Credit Default Swap Buy Protection ^{1 2}	US\$5,510,000	(72)	(0.01)
Barclays Republic of Poland 2019 Credit Default Swap Buy Protection ^{1 2}	US\$16,800,000	(169)	(0.02)
Citibank Russian Federation 2019 Credit Default Swap Buy Protection ^{1 2}	US\$5,400,000	234	0.02
JPMorgan Chase Bank CDX 2019 Credit Default Index Swap Buy Protection ^{1 2}	US\$102,945,000	(1,441)	(0.15)
JPMorgan Chase Bank Meritor 2019 Credit Default Swap Sell Protection ^{1 2}	US\$4,130,000	237	0.02
Barclays Bank Interest Rate Swap 2.5.24 receive 0.22335% pay 2.792% ¹	US\$7,320,000	(18)	0.00
Royal Bank of Scotland Interest Rate Swap 2.5.24 receive 0.22335% pay 2.80125% ¹	US\$10,120,000	(29)	0.00
		(3,326)	(0.34)

Portfolio Statement (continued)

	Market Value £000's	% of net assets
Portfolio of investments ³	914,100	93.08
Net other assets	67,962	6.92
Net assets attributable to unitholders	982,062	100.00%
Investment grade securities	779,429	79.38
Speculative grade securities	139,523	14.19
Unrated securities	8,437	0.86
Total of debt securities	927,389	94.43%

Unless otherwise stated the above securities are admitted to official stock exchange listings or traded on a regulated market.

- 1 Over the counter derivative investments not listed on recognised exchanges.
- 2 A related party to the fund.
- 3 Including derivative liabilities.

Summary of Portfolio Transactions

Largest purchases

For the six months ended 30 April 2014	Cost £000's
Treasury 3.5% Stock 2068	16,346
Microsoft 3.125% Bonds 2028	10,903
Bank of America 4.25% Notes 2026	9,689
Autonomous Community Of Madrid 2.875% Notes 2019	8,040
BPCE 5.25% Notes 2029	7,080
21st Century 5.4% Notes 2043	6,675
BPE Financiaciones 2.875% Bonds 2016	6,210
Portugal (Republic of) 5.65% Bonds 2024	6,096
Coventry Building Society 2.5% Bonds 2020	5,791
Notting Hill Housing 4.375% Bonds 2054	5,646

Largest sales

For the six months ended 30 April 2014	Proceeds £000's
Treasury 6% Stock 2028	47,793
Gas Natural Capital 6% Bonds 2020	8,327
Koninklijke KPN 6.875% Bonds 2073	6,453
Portugal (Republic of) 5.65% Bonds 2024	6,425
Telecom Italia 4.875% Notes 2020	5,721
ESB Finance 4.375% Notes 2019	5,652
EDF 6% Perpetual Notes	5,523
FCE Bank 3.25% Notes 2020	5,204
EE Finance 4.375% Notes 2019	5,199
ESB Finance 6.25% Notes 2017	5,192

Statement of the Manager's Responsibilities

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) requires the Manager to prepare accounts for each annual and half yearly accounting period, in accordance with United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the financial position of the fund and of its net revenue and the net capital gains on the property of the fund for the period. In preparing the accounts the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds issued by the IMA in October 2010;
- follow generally accepted accounting principles and applicable accounting standards;
- prepare the accounts on the basis that the fund will continue in operation unless it is inappropriate to do so;
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements.

The Manager is responsible for the management of the fund in accordance with its Trust Deed, the Prospectus and the COLL and for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The Manager's report and accounts for the period ended 30 April 2014 were signed on 17 June 2014 on behalf of the Manager by:

C.E. Helmstetter
Directors

P.C. Wallace

Statement of Total Return (unaudited)

For the six months ended 30 April 2014

	30.4.14		30.4.13	
	£000's	£000's	£000's	£000's
Income				
Net capital gains		4,406		53,107
Revenue	24,486		30,812	
Expenses	(1,025)		(1,225)	
Finance costs:				
Interest payable	0		(3)	
Net revenue before taxation	23,461		29,584	
Taxation	0		0	
Net revenue after taxation		23,461		29,584
Total return before distributions		27,867		82,691
Finance costs: Distributions		(25,458)		(33,349)
Change in net assets attributable to unitholders from investment activities		2,409		49,342

Statement of Change in Net Assets Attributable to Unitholders (unaudited)

For the six months ended 30 April 2014

	30.4.14		30.4.13	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		1,031,813 ¹		1,490,286
Amounts receivable on creation of units	44,569		20,611	
Amounts payable on cancellation of units	(119,887)		(414,633)	
		(75,318)		(394,022)
Change in net assets attributable to unitholders from investment activities		2,409		49,342
Retained distribution on Accumulation units		23,158		26,636
Closing net assets attributable to unitholders		982,062		1,172,242¹

1 The Opening net assets attributable to unitholders for the current period do not equal the Closing net assets attributable to unitholders for the comparative period as they are not consecutive periods.

Balance Sheet (unaudited)

As at 30 April 2014

	30.4.14		31.10.13	
	£000's	£000's	£000's	£000's
Assets				
Investment assets		930,383		991,580
Debtors	22,383		27,393	
Cash and bank balances	54,552		45,893	
Total other assets		76,935		73,286
Total assets		1,007,318		1,064,866
Liabilities				
Investment liabilities		(16,283)		(12,820)
Creditors	(6,857)		(18,660)	
Bank overdrafts	(1,117)		(521)	
Distribution payable on Income units	(999)		(1,052)	
Total other liabilities		(8,973)		(20,233)
Total liabilities		(25,256)		(33,053)
Net assets attributable to unitholders		982,062		1,031,813

Notes to the Accounts (unaudited)

Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the IMA in October 2010.

The accounting policies applied are consistent with those of the annual accounts for the year ended 31 October 2013 and are described in those annual accounts.

Distribution Table (unaudited)

Interim distribution
for the six months
ended 30 April 2014

Group 1 Units purchased prior to 1 November 2013

Group 2 Units purchased on or after 1 November 2013

	Gross revenue 2014 p per unit	Income tax 2014 p per unit	Net revenue 2014 p per unit	Equalisation 2014 p per unit	Distribution payable 30.6.14 p per unit	Distribution paid 30.6.13 p per unit
A Income units						
Group 1	1.4178	0.2836	1.1342	–	1.1342	1.1219
Group 2	0.5901	0.1180	0.4721	0.6621	1.1342	1.1219
A Accumulation units						
Group 1	1.7296	0.3459	1.3837	–	1.3837	1.3188
Group 2	0.9731	0.1946	0.7785	0.6052	1.3837	1.3188
I Income (Gross) units¹						
Group 1	1.3343	0.0000	1.3343	–	1.3343	1.3337
Group 2	0.4790	0.0000	0.4790	0.8553	1.3343	1.3337
I Accumulation (Gross) units¹						
Group 1	5.5377	0.0000	5.5377	–	5.5377	5.2533
Group 2	4.4535	0.0000	4.4535	1.0842	5.5377	5.2533
X Accumulation (Gross) units¹						
Group 1	2.8792	0.0000	2.8792	–	2.8792	2.7265
Group 2	0.9741	0.0000	0.9741	1.9051	2.8792	2.7265
Z Income units						
Group 1	1.5091	0.3018	1.2073	–	1.2073	1.1945
Group 2	0.9213	0.1843	0.7370	0.4703	1.2073	1.1945
Z Accumulation units						
Group 1	1.8361	0.3672	1.4689	–	1.4689	1.4003
Group 2	1.3893	0.2779	1.1114	0.3575	1.4689	1.4003

1 As the distribution is accounted for gross to unitholders, no income tax is deducted.

Equalisation

Equalisation applies to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of Group 2 units and is refunded to the holders of these units as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

General Information

Manager

Schroder Unit Trusts Limited
31 Gresham Street
London EC2V 7QA
Authorised and regulated by
the Financial Conduct Authority

Registrar¹

International Financial Data Services Limited
IFDS House
St Nicholas Lane
Basildon
Essex SS15 5FS

Investment Adviser

Schroder Investment Management Limited
31 Gresham Street
London EC2V 7QA
Authorised and regulated by
the Financial Conduct Authority

Administration details

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Investor Services
0800 718 777
investorservices@schroders.com
Dealing 0800 718 788
Fax 0870 043 4080

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

¹ The Manager has delegated the function of Registrar to International Financial Data Services Limited.

Authorisation

The fund is an authorised unit trust and is constituted pursuant to the COLL and is structured as a trust. The fund is a UCITS scheme for the purpose of the categorisation of the COLL.

Other information

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**.

European Union Savings Directive

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



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.



Schroders

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