

Schroder

All Maturities Corporate Bond Fund

Interim Report and Accounts

April 2013



Schroders

Contents

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Fund Information¹	.3
Investment objective and policy	.3
Financial highlights	.3
Fund information	.3
Ongoing charges figure	.4
Total purchases and sales	.4
Review of Investment Activities¹	.5
Risk Profile¹	.6
Risk and reward indicator	.6
Specific risks	.6
Net Asset Value and Comparative Tables¹	.7
Unit price range	.7
Net revenue	.8
Net asset value	.9
Portfolio Statement¹	.10
Summary of Portfolio Transactions¹	.31
Largest purchases	.31
Largest sales	.31
Statement of the Manager's Responsibilities	.32
Statement of Total Return (unaudited)	.33
Statement of Change in Net Assets	
Attributable to Unitholders (unaudited)	.33
Balance Sheet (unaudited)	.34
Notes to the Accounts (unaudited)	.35
Accounting policies	.35
Distribution Table (unaudited)	.36
Interim distribution for the six months ended 30 April 2013	.36
Equalisation	.36
General Information¹	.37
Authorisation	.37
Initial management charge	.37
Other information	.37
European Union Savings Directive	.37

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	30.4.13	31.10.12	% change
A Income units	59.97p	57.89p	3.59
A Accumulation units	70.24p	66.53p	5.58
I Income (Gross) units	55.80p	53.63p	4.05
I Accumulation (Gross) units	220.30p	206.80p	6.53
X Accumulation (Gross) units	114.30p	107.10p	6.72
Z Income units	62.41p	60.07p	3.90
Z Accumulation units	73.05p	68.98p	5.90
	30.6.13	30.6.12	
Interim distribution per Z Income unit	1.1945p	1.1617p	

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 30.4.13	For the year to 31.10.12
A Income units	1.11% ¹	1.12%
A Accumulation units	1.11% ¹	1.11%
I Income (Gross) units	0.26% ¹	0.26%
I Accumulation (Gross) units	0.26% ¹	0.26%
X Accumulation (Gross) units ²	0.01% ¹	0.01%
Z Income units	0.46% ¹	0.46%
Z Accumulation units	0.46% ¹	0.46%

1 The Ongoing charges figure is annualised based on the fees suffered 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 30.4.13 £000's	For the year to 31.10.12 £000's
Total purchases	480,963	1,087,766
Total sales	804,020	1,107,769

Review of Investment Activities

From 31 October 2012 to 30 April 2013 the price of I Accumulation (Gross) units on a dealing price to dealing price basis rose from 206.80p to 220.30p, an increase, net of fees, of 6.53%. In comparison, the Bank of America Merrill Lynch Sterling Non-Gilts All Stocks Index generated a total return of 5.86%¹ over the same period.

¹ Source: Thomson Reuters Datastream.

The UK corporate bond market rallied in the period under review and outperformed UK government bonds.

The sense of relief among investors caused by the raft of monetary and political measures taken to stabilise the eurozone and safeguard the single currency helped credit markets to rally in the final months of 2012, while the hunt for yield also led to strong demand for corporate bonds throughout the period.

The fund outperformed its benchmark during the period, with individual credit selection and sector allocation driving performance.

We have been active in the new issue market throughout the period and have shifted the portfolio away from the bonds that are most closely correlated with long dated government bond yields to reduce the sensitivity to higher government bond yields.

We are mindful of a potential increase in merger and acquisition activity, particularly amongst US based companies which could be negative for bond holders as acquisitive companies often take on more debt. We have been examining the portfolio, reducing positions in companies that may participate in the trend.

Looking ahead, we think the hunt for yield will continue to be the main driver of credit markets. Broadly speaking, credit is not particularly cheap currently. However, prudent credit selection will be rewarded in this environment as there are opportunities in certain pockets of the credit market. We continue to follow a thematic approach to help identify the most attractive opportunities.

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
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 30 April	59.97	56.35	70.24	65.99

Year to 31 December	I Income (Gross) units		I Accumulation (Gross) units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
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 30 April	55.80	52.24	220.30	206.20

Year to 31 December	X Accumulation (Gross) units		Z Income units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
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 30 April	114.30	106.90	62.41	58.56

Year to 31 December	Z Accumulation units	
	Highest dealing p	Lowest dealing p
2008	–	–
2009	58.68	49.17
2010	62.39	57.58
2011	63.49	60.12
2012	70.08	62.38
2013 to 30 April	73.05	68.55

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
2008	–	–
2009	1.6691	1.6755
2010	2.6399	2.7432
2011	2.3085	2.5166
2012	2.1747	2.4739
2013 to 30 April	1.1219	1.3188

Year to 31 December	I Income (Gross) units pence per unit	I Accumulation (Gross) units pence per unit
2008	–	7.8872
2009	0.0403	8.6924
2010	3.0682	10.3066
2011	2.7018	9.7309
2012	2.5537	9.7187
2013 to 30 April	1.3337	5.2533

Year to 31 December	X Accumulation (Gross) units pence per unit	Z Income units pence per unit
2008	4.0431	–
2009	4.4538	1.5526
2010	5.3092	2.7434
2011	5.0188	2.4247
2012	5.0281	2.2956
2013 to 30 April	2.7265	1.1945

Year to 31 December	Z Accumulation units pence per unit
2008	–
2009	1.7557
2010	2.8396
2011	2.6026
2012	2.6095
2013 to 30 April	1.4003

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
2010			
A Income units	89,551	55.73	160,687,465
A Accumulation units	7,342	60.18	12,200,991
I Income (Gross) units	14,664	50.62	28,967,760
I Accumulation (Gross) units	612,055	180.18	339,698,736
X Accumulation (Gross) units	564,906	92.87	608,299,996
Z Income units	56,199	57.17	98,302,723
Z Accumulation units	14,900	61.60	24,189,093
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 at 30 April			
A Income units	9,049	58.55	15,454,041
A Accumulation units	3,905	69.89	5,586,798
I Income (Gross) units	17,484	54.19	32,263,432
I Accumulation (Gross) units	774,417	219.24	353,232,044
X Accumulation (Gross) units	333,247	113.73	293,019,053
Z Income units	33,274	60.87	54,660,889
Z Accumulation units	866	72.69	1,191,513

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 30.4.13	Market Value £000's	% of net assets
Euro Denominated Short Term Bonds 1.98%			
(31.10.12 – 0.65%)			
Caixa Geral de Depositos 5.625% Bonds 2015	€3,300,000	2,919	0.25
Banco Popolare 3.75% Notes 2016	€4,345,000	3,668	0.31
ESB Finance 6.25% Notes 2017	€5,372,000	5,322	0.45
Intesa Sanpaolo 4% Notes 2017	€798,000	705	0.06
Portugal 4.35% Bonds 2017	€6,091,000	5,114	0.44
Viridian Group 11.125% Bonds 2017	€3,927,000	3,601	0.31
Banco Espirito Santo 4.75% Notes 2018	€2,200,000	1,847	0.16
		23,176	1.98
Euro Denominated Medium Term Bonds 3.31%			
(31.10.12 – 1.00%)			
Nara Cable Funding 8.875% Bonds 2018	€4,077,000	3,713	0.31
Abertis Infrastructure 4.75% Bonds 2019	€2,900,000	2,709	0.23
ESB Finance 4.375% Notes 2019	€7,602,000	7,119	0.61
Rottapharm 6.125% Bonds 2019	€1,852,000	1,613	0.14
Gas Natural 6% Bonds 2020	€8,400,000	8,423	0.72
Heidelberg Cement 7.5% Notes 2020	€3,701,000	3,840	0.33
Lottomatica 3.5% Bonds 2020	€2,200,000	1,955	0.16
Softbank 4.625% Bonds 2020	€3,269,000	2,921	0.25
Commerzbank 7.75% Notes 2021	€3,900,000	3,647	0.31
Unitymedia 5.75% Bonds 2023	€3,342,000	2,909	0.25
		38,849	3.31
Euro Denominated Long Term Bonds 1.02%			
(31.10.12 – 0.33%)			
Mapfre 5.921% Notes 2037	€3,800,000	3,006	0.26
ING Groep 8% Perpetual Notes	€1,347,000	1,186	0.10
SSE 5.625% Perpetual Notes	€4,929,000	4,498	0.38
Telekom Austria 5.625% Perpetual Bonds	€3,704,000	3,271	0.28
		11,961	1.02

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Euro Denominated Derivatives (0.34)%			
(31.10.12 – (0.07)%)			
Forward to buy €20,013,526 for £16,963,245	€20,013,526	(58)	(0.01)
Forward to sell €109,598,200 for £93,334,966	€(109,598,200)	759	0.06
Euro Bobl Futures June 2013	(48)	(33)	0.00
Euro Bund Futures June 2013	63	179	0.01
BNP Paribas Akzo Nobel 2016 Credit Default Swap Buy Protection ¹	€5,070,000	(67)	(0.01)
Deutsche Bank Akzo Nobel 2016 Credit Default Swap Buy Protection ¹	€1,690,000	(22)	0.00
Holcim 2016 Credit Default Swap Buy Protection ¹	€10,750,000	(128)	(0.01)
UPM-Kymmene 2016 Credit Default Swap Buy Protection ¹	€12,330,000	(1,151)	(0.10)
Adecco 2017 Credit Default Swap Buy Protection ¹	€7,500,000	15	0.00
Credit Suisse ST Microelectronics 2017 Credit Default Swap Buy Protection ¹	€14,050,000	(161)	(0.01)
Metro 2017 Credit Default Swap Buy Protection ¹	€15,200,000	209	0.02
Safeway 2017 Credit Default Swap Buy Protection ¹	€2,250,000	(28)	0.00
Citigroup Marks and Spencer 2017 Credit Default Swap Sell Protection ¹	€4,600,000	(119)	(0.01)
JPMorgan Chase Bank Marks and Spencer 2017 Credit Default Swap Sell Protection ^{1 2}	€9,600,000	(247)	(0.02)
Barclays Bank iTraxx Europe Crossover 2018 Credit Default Index Swap Buy Protection Spencer ¹	€10,750,000	(459)	(0.04)
Barclays Bank Telenor 2018 Credit Default Swap Buy Protection ¹	€9,640,000	(237)	(0.02)
Citigroup iTraxx Europe Crossover 2018 Credit Default Index Swap Buy Protection ¹	€5,850,000	(250)	(0.02)
Credit Agricole 2018 Credit Default Swap Buy Protection ¹	€7,240,000	(395)	(0.03)

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Euro Denominated Derivatives (continued)			
JPMorgan Chase Bank iTraxx Europe Crossover 2018 Credit Default Index Swap Buy Protection ^{1 2}	€1,700,000	(72)	(0.01)
JPMorgan Chase Bank Telenor 2018 Credit Default Swap Buy Protection ^{1 2}	€7,750,000	(191)	(0.02)
Societe Generale 2018 Credit Default Swap Buy Protection ¹	€7,240,000	(384)	(0.03)
Vivendi 2018 Credit Default Swap Buy Protection ¹	€2,400,000	17	0.00
Volkswagen 2018 Credit Default Swap Buy Protection ¹	€16,980,000	(160)	(0.01)
Wolters Kluwer 2018 Credit Default Swap Buy Protection ¹	€9,000,000	(114)	(0.01)
Funding 2018 Credit Default Swap Sell Protection ¹	€15,300,000	(136)	(0.01)
E.ON 2018 Credit Default Swap Sell Protection ¹	€16,980,000	213	0.02
JPMorgan Chase Bank Heathrow Funding 2018 Credit Default Swap Sell Protection ^{1 2}	€14,700,000	(131)	(0.01)
Koninklijke Ahold 2018 Credit Default Swap Sell Protection ¹	€7,500,000	2	0.00
Lloyds TSB Bank 2018 Credit Default Swap Sell Protection ¹	€46,000,000	(832)	(0.07)
PPR 2018 Credit Default Swap Sell Protection ¹	€10,000,000	68	0.00
SSE 2018 Credit Default Swap Sell Protection ¹	€1,450,000	(19)	0.00
		(3,932)	(0.34)

Sterling Denominated Short Term Bonds 8.99%

(31.10.12 – 15.81%)

Instituto de Credito Oficial 4% Bonds 2014	£488,000	497	0.04
International Bank for Reconstruction & Development 0.875% Notes 2014	£1,254,000	1,263	0.11
European Investment Bank 3% Bonds 2015	£6,558,000	6,958	0.59
European Investment Bank 4.375% Notes 2015	£5,480,000	5,926	0.50
HFC Bank 7% Notes 2015	£252,000	282	0.02
KFW 2.75% Notes 2015	£6,350,000	6,676	0.57
KFW 5.5% Bonds 2015	£844,000	951	0.08

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Sterling Denominated Short Term Bonds (continued)			
Lloyds TSB Bank 6.625% Notes 2015	£836,000	897	0.08
Pearson Funding One 6% Bonds 2015	£200,000	224	0.02
Royal Bank of Scotland 9.625% Bonds 2015	£6,940,000	7,931	0.68
ASIF III (Jersey) 5.375% Notes 2016	£836,000	940	0.08
Bank of America 5.25% Notes 2016	£950,000	1,044	0.09
Carlsberg 7.25% Notes 2016	£359,000	430	0.04
European Investment Bank 3.25% Notes 2016	£2,382,000	2,589	0.22
European Investment Bank 4.875% Notes 2016	£5,138,000	5,839	0.50
Hammerson 5.25% Bonds 2016	£732,000	817	0.07
Intercontinental Hotels 6% Bonds 2016	£2,841,000	3,276	0.28
JPMorgan Chase Bank 5.375% Bonds 2016 ²	£1,100,000	1,238	0.11
KFW 1.75% Notes 2016	£2,507,000	2,587	0.22
Koninklijke KPN 5.75% Bonds 2016	£100,000	111	0.01
London Power Networks 5.375% Notes 2016	£100,000	113	0.01
Next 5.875% Bonds 2016	£450,000	511	0.04
Reed Elsevier 5.625% Notes 2016	£900,000	1,022	0.09
Rolls-Royce 7.375% Notes 2016	£195,000	232	0.02
Stagecoach Group 5.75% Bonds 2016	£1,004,000	1,129	0.10
UniCredit 5% Bonds 2016	£662,000	657	0.06
United Business Media 6.5% Bonds 2016	£917,000	1,047	0.09
Wales & West Utilities Finance 5.125% Notes 2016	£441,000	494	0.04
American International Group 6.765% Notes 2017	£1,676,000	2,009	0.17
Barclays Bank 1.5% Notes 2017	£832,000	858	0.07
BSkyB Finance UK 5.75% Notes 2017	£920,000	1,081	0.09
Close Brothers Group 6.5% Bonds 2017	£5,263,000	5,777	0.49
European Investment Bank 4.125% Notes 2017	£503,000	576	0.05
European Investment Bank 8.75% Bonds 2017	£2,424,000	3,231	0.27

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Sterling Denominated Short Term Bonds (continued)			
FCE Bank 4.825% Notes 2017	£200,000	219	0.02
Goldman Sachs Group 6.125% Notes 2017	£1,170,000	1,331	0.11
Holcim GB Finance 8.75% Notes 2017	£352,000	441	0.04
JPMorgan Chase Bank 4.25% Notes 2017 ²	£1,323,000	1,455	0.12
JPMorgan Chase Bank 6.125% Bonds 2017 ²	£3,800,000	3,629	0.31
Lafarge 10% Notes 2017	£882,000	1,088	0.09
Lloyds TSB Bank 1.5% Bonds 2017	£2,340,000	2,408	0.21
Morgan Stanley 5.75% Notes 2017	£962,000	1,094	0.09
Reed Elsevier 7% Notes 2017	£650,000	800	0.07
Royal Bank of Scotland 6% Notes 2017	£607,000	704	0.06
Safeway 6% Notes 2017	£198,000	227	0.02
Scottish Power 8.375% Bonds 2017	£531,000	655	0.06
Treasury 1% Stock 2017	£15,758,000	16,024	1.37
WPP Group 6% Bonds 2017	£1,235,000	1,430	0.12
Anglian Water (Osprey) Financing 7% Notes 2018	£550,000	601	0.05
Heathrow Funding A 12.45% Notes 2018	£882,000	1,146	0.10
Merrill Lynch 7.75% Bonds 2018	£2,150,000	2,708	0.23
Severn Trent Water Utilities Finance 6% Notes 2018	£150,000	179	0.02
		105,352	8.99
Sterling Denominated Medium Term Bonds 31.19%			
(31.10.12 – 33.61%)			
Anglo American Capital 6.875% Notes 2018	£503,000	606	0.05
ASIF III 5% Notes 2018	£586,000	680	0.06
Citigroup 5.125% Bonds 2018	£1,882,000	2,133	0.18
Daily Mail & General Trust 5.75% Bonds 2018	£418,000	462	0.04
Enterprise Inns 6.5% Notes 2018	£3,050,000	3,056	0.26
European Investment Bank 4.75% Bonds 2018	£3,008,000	3,589	0.31
GE Capital Funding 6.75% Notes 2018	£1,087,000	1,344	0.11
Heathrow Funding 6.25% Bonds 2018	£962,000	1,128	0.10

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Sterling Denominated Medium Term Bonds (continued)			
Mondelez International 7.25% Bonds 2018	£2,507,000	3,153	0.27
Post NL 7.5% Bonds 2018	£685,000	812	0.07
Royal Bank of Scotland 6.625% Bonds 2018	£2,658,000	3,255	0.28
Safeway 6.125% Bonds 2018	£503,000	606	0.05
Bank of America 5.5% Bonds 2019	£1,087,000	1,290	0.11
Bank of Scotland 6.375% Notes 2019	£762,000	854	0.07
Cable & Wireless International Finance 8.625% Bonds 2019	£850,000	973	0.08
Deutsche Telekom International Finance 7.375% Bonds 2019	£586,000	778	0.07
ENEL 6.25% Notes 2019	£882,000	1,007	0.09
G4S 7.75% Notes 2019	£1,755,000	2,242	0.19
GE Capital 4.375% Notes 2019	£1,422,000	1,599	0.14
GKN Holdings 6.75% Bonds 2019	£920,000	1,084	0.09
Heathrow Finance 5.375% Notes 2019	£4,762,000	4,903	0.42
HSBC Finance 6.25% Bonds 2019	£252,000	306	0.03
John Lewis 8.375% Notes 2019	£4,741,000	6,258	0.53
Land Securities Capital Markets 4.875% Notes 2019	£2,263,000	2,593	0.22
Marks & Spencer 6.125% Notes 2019	£1,755,000	2,034	0.17
Motability Operations Group 6.625% Notes 2019	£1,087,000	1,405	0.12
Nationwide Building Society 5.625% Notes 2019	£1,755,000	2,089	0.18
Porterbrook Rail Finance 5.5% Notes 2019	£882,000	1,025	0.09
Rolls-Royce 6.75% Notes 2019	£1,254,000	1,602	0.14
Santander Issuances 7.3% Notes 2019	£1,500,000	1,552	0.13
South East Water (Finance) 5.6577% Bonds 2019	£474,000	557	0.05
Thames Water (Kemble) Finance 7.75% Notes 2019	£2,256,000	2,499	0.21
Arqiva Broadcast 9.5% Bonds 2020	£1,800,000	1,908	0.16
AXA 7.125% Notes 2020	£753,000	913	0.08
British Land 6.75% Bonds 2020	£335,000	411	0.04
Eversholt Funding 5.831% Notes 2020	£500,000	604	0.05
Great Rolling Stock 6.25% Notes 2020	£1,519,000	1,863	0.16

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Sterling Denominated Medium Term Bonds (continued)			
Heathrow Funding 6% Bonds 2020	£400,000	469	0.04
HSBC Bank 4.75% Bonds 2020	£1,162,000	1,228	0.10
Jaguar Land Rover 8.25% Bonds 2020	£4,457,000	5,055	0.43
Kelda Finance 5.75% Notes 2020	£6,442,000	6,561	0.56
Lloyds TSB Bank 6.9625% Bonds 2020	£3,209,000	3,367	0.29
Metlife 5.25% Notes 2020	£920,000	1,079	0.09
National Grid Gas 6.375% Notes 2020	£650,000	820	0.07
Porterbrook Rail Finance 6.5% Bonds 2020	£4,137,000	5,172	0.44
Southern Gas Network 4.875% Bonds 2020	£530,000	620	0.05
WPP Finance 6.375% Bonds 2020	£1,045,000	1,316	0.11
Xstrata Finance Canada 7.375% Notes 2020	£3,635,000	4,629	0.39
Annington Finance No.1 8% Bonds 2021	£333,015	421	0.04
Bank of America 6.125% Notes 2021	£1,800,000	2,220	0.19
Bank of Scotland 9.375% Bonds 2021	£1,180,000	1,535	0.13
DWR Cymru Financing 6.907% Bonds 2021	£4,815,000	6,281	0.54
Eastern Power Network 4.75% Bonds 2021	£1,059,000	1,225	0.10
Enterprise Inns 6.875% Bonds 2021	£3,340,000	3,257	0.28
Friends Life Group 12% Notes 2021	£441,000	599	0.05
Goldman Sachs Group 5.5% Notes 2021	£1,170,000	1,322	0.11
Lloyds TSB Bank 10.75% Notes 2021	£1,069,000	1,291	0.11
Lynx I 6% Bonds 2021	£5,400,000	5,697	0.49
Merrill Lynch 5.5% Notes 2021	£618,000	709	0.06
National Westminster Bank 6.5% Notes 2021	£350,000	392	0.03
Next 5.375% Notes 2021	£6,986,000	8,181	0.70
Old Mutual 8% Notes 2021	£3,622,000	4,079	0.35
RWE Finance 6.5% Notes 2021	£1,337,000	1,713	0.15
Segro 6.75% Notes 2021	£7,587,000	9,636	0.82
Southern Water Services Finance 5% Bonds 2021	£70,000	81	0.01
Spirit Issuer A3 5.86% Bonds 2021	£6,432,000	6,315	0.54
SSE 4.25% Notes 2021	£926,000	1,043	0.09

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Sterling Denominated Medium Term Bonds (continued)			
Virgin Media Secured Finance 5.5% Notes 2021	£1,764,000	1,842	0.16
Wales & West Utilities Finance 6.25% Bonds 2021	£618,000	786	0.07
Wellcome Trust Finance 4.75% Notes 2021	£706,000	843	0.07
Wessex Water Services Finance 4% Bonds 2021	£700,000	772	0.07
Anglian Water Services Finance 5.837% Bonds 2022	£586,000	727	0.06
Annington Finance (No.4) 0% Bonds 2022	£3,850,000	2,957	0.25
Centrica 6.375% Notes 2022	£1,129,000	1,461	0.12
Coventry Building Society 5.875% Notes 2022	£1,004,000	1,218	0.10
EDF 6.875% Notes 2022	£250,000	337	0.03
FirstGroup 5.25% Notes 2022	£10,923,000	11,943	1.02
Friends Life Group 8.25% Notes 2022	£3,312,000	3,812	0.33
GKN Holdings 5.375% Bonds 2022	£9,398,000	10,242	0.87
Glencore Finance 5.5% Bonds 2022	£1,810,000	2,129	0.18
HSBC Holdings 6.375% Notes 2022	£2,600,000	2,940	0.25
Imperial Tobacco 9% Notes 2022	£2,340,000	3,403	0.29
Intercontinental Hotels 3.875% Bonds 2022	£5,013,000	5,462	0.47
Land Securities Capital Markets A3 5.425% Notes 2022	£664,000	801	0.07
Motability Operations Group 5.375% Notes 2022	£920,000	1,133	0.10
Northern Powergrid 7.25% Notes 2022	£430,000	566	0.05
Petroleos Mexicanos 8.25% Bonds 2022	£1,864,000	2,484	0.21
RWE Finance 5.5% Bonds 2022	£1,200,000	1,465	0.13
Treasury 4% Stock 2022	£7,327,000	8,838	0.75
Virgin Media Finance 5.125% Notes 2022	£7,193,000	7,265	0.62
American International Group 5% Notes 2023	£1,200,000	1,339	0.11
Anglian Water 6.875% Bonds 2023	£1,763,000	2,395	0.20
Annington Finance (No.4) 0% Bonds 2023	£950,000	687	0.06
Annington Finance (No.4) 6.5676% Bonds 2023	£1,640,000	1,782	0.15

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Sterling Denominated Medium Term Bonds (continued)			
BAA Funding 9.2% Bonds 2023	£618,000	893	0.08
BUFA Finance 5% Notes 2023	£2,179,000	2,265	0.19
Credit Agricole 7.375% Notes 2023	£1,050,000	1,314	0.11
HSBC Bank 5% Notes 2023	£863,000	949	0.08
Intu Finance 3.875% Bonds 2023	£3,411,000	3,618	0.31
Lloyds TSB Bank 9.625% Bonds 2023	£836,000	1,146	0.10
London Power Networks 5.125% Notes 2023	£800,000	960	0.08
Nestle Finance International 2.25% Notes 2023	£7,937,000	8,008	0.68
RWE Finance 5.625% Notes 2023	£1,170,000	1,455	0.12
Scottish Power 6.75% Bonds 2023	£669,000	880	0.08
Southern Gas Network 4.875% Notes 2023	£800,000	946	0.08
TDC 5.625% Notes 2023	£1,730,000	2,104	0.18
Wales & West Utilities Finance 4.625% Notes 2023	£700,000	819	0.07
Wells Fargo Bank 5.25% Notes 2023	£1,850,000	2,204	0.19
Western Power Distribution 5.25% Notes 2023	£1,764,000	2,126	0.18
Yorkshire Water Services Odsal Financial 6.5876% Bonds 2023	£550,000	730	0.06
Citigroup 5.875% Notes 2024	£1,087,000	1,283	0.11
EDF Energy Networks 5.75% Notes 2024	£941,000	1,156	0.10
Enel Finance International 5.625% Notes 2024	£2,632,000	2,822	0.24
Gatwick Funding A 5.25% Notes 2024	£882,000	1,022	0.09
Heathrow Funding 7.125% Notes 2024	£5,657,000	7,173	0.61
National Grid Gas 7% Bonds 2024	£319,000	438	0.04
Network Rail Infrastructure 4.75% Notes 2024	£1,875,000	2,318	0.20
Royal Bank of Scotland 7.5% Bonds 2024	£2,264,000	3,059	0.26
Digital Stout 4.25% Notes 2025	£4,846,000	5,084	0.43
European Investment Bank 5.5% Bonds 2025	£2,925,000	3,817	0.33
Eversholt Funding 6.359% Notes 2025	£600,000	767	0.07
Goldman Sachs 7.125% Bonds 2025	£962,000	1,315	0.11

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Sterling Denominated Medium Term Bonds (continued)			
Heathrow Funding 5.225% Bonds 2025	£1,438,000	1,711	0.15
John Lewis 6.125% Bonds 2025	£618,000	768	0.07
Land Securities Capital Markets 4.875% Notes 2025	£706,000	852	0.07
Lloyds TSB Bank 7.625% Notes 2025	£4,136,000	5,090	0.43
Marks & Spencer 4.75% Notes 2025	£4,428,000	4,724	0.40
Mitchells & Butlers 5.965% Bonds 2025	£718,760	797	0.07
National Grid 8.75% Bonds 2025	£711,000	1,108	0.09
Thames Water Utilities Cayman 5.375% Bonds 2025	£2,651,000	2,976	0.25
UBS 8.75% Notes 2025	£338,000	477	0.04
Western Power Distribution 5.5% Notes 2025	£750,000	953	0.08
Yorkshire Water Services Bradford Finance 6% Bonds 2025	£1,393,000	1,587	0.14
ABP Finance 6.25% Notes 2026	£2,507,000	3,012	0.26
Affinity Water Finance 5.875% Notes 2026	£503,000	639	0.05
Amlin 6.5% Notes 2026	£691,000	718	0.06
Anglian Water Services 4.5% Notes 2026	£3,742,000	4,014	0.34
Caisse Francaise de Financement 5.5% Notes 2026	£335,000	373	0.03
Centrica 6.4% Municipal Index Linked Notes 2026	£100,000	133	0.01
Citigroup 5.15% Notes 2026	£1,421,000	1,703	0.15
EDF Energy Networks 5.5% Notes 2026	£753,000	930	0.08
Hammerson 6% Bonds 2026	£803,000	1,013	0.09
Hutchison Whampoa Finance 5.625% Bonds 2026	£450,000	555	0.05
Insurance Australia Group 5.625% Bonds 2026	£1,337,000	1,345	0.11
IPIC 6.875% Notes 2026	£1,191,000	1,516	0.13
Land Securities Capital Markets A4 5.391% Notes 2026	£471,000	575	0.05
NIE Finance 6.375% Notes 2026	£3,783,000	4,762	0.41
Porterbrook Rail Finance 7.125% Notes 2026	£4,381,000	6,023	0.51
Severn Trent 3.625% Notes 2026	£7,151,000	7,501	0.64
Southern Water Services Finance A4 6.64% Notes 2026	£2,677,000	3,576	0.31

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Sterling Denominated Medium Term Bonds (continued)			
SPD UK Finance 5.875% Notes 2026	£1,235,000	1,550	0.13
British Sky Broadcasting 6% Bonds 2027	£850,000	1,076	0.09
Daily Mail & General Trust 6.375% Bonds 2027	£1,500,000	1,645	0.14
EDF Energy Networks 6.125% Notes 2027	£669,000	852	0.07
Land Securities Capital Markets A5 5.391% Notes 2027	£4,887,000	6,050	0.52
Motability Operations 4.375% Notes 2027	£300,000	336	0.03
Western Power Distribution (South West) 5.875% Bonds 2027	£326,000	406	0.03
British Land 5.357% Bonds 2028	£669,000	749	0.06
DWR Cymru Financing 6.015% Bonds 2028	£794,000	1,031	0.09
Gatwick Funding 6.125% Notes 2028	£838,000	1,058	0.09
Goldman Sachs Group 7.25% Notes 2028	£400,000	557	0.05
Hammerson 7.25% Bonds 2028	£22,000	30	0.00
Wales & West Utilities Finance 5% Notes 2028	£400,000	469	0.04
Wessex Water Services Finance 5.375% Bonds 2028	£489,000	591	0.05
		365,617	31.19
Sterling Denominated Long Term Bonds 47.41%			
(31.10.12 – 41.39%)			
BAA Funding 6.75% Notes 2028	£1,692,000	2,299	0.20
Bank Nederlandse Gemeenten 5.2% Bonds 2028	£300,000	376	0.03
Bank of America 7% Notes 2028	£3,300,000	4,503	0.38
Deutsche Telekom International Finance 8.875% Bonds 2028	£3,144,000	5,068	0.43
EDF 6.25% Bonds 2028	£1,200,000	1,535	0.13
European Bank for Reconstruction & Development 5.625% Notes 2028	£114,000	155	0.01
European Investment Bank 0% Bonds 2028	£7,453,000	4,546	0.39
European Investment Bank 6% Bonds 2028	£7,137,000	9,885	0.84
France Telecom 8.125% Bonds 2028	£1,254,000	1,854	0.16
GE Capital 5.25% Notes 2028	£1,087,000	1,290	0.11
KFW 6% Bonds 2028	£261,000	375	0.03

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Sterling Denominated Long Term Bonds (continued)			
LCR Finance 4.5% Bonds 2028	£114,000	138	0.01
Muenchener Rueckversicherungs 7.625% Bonds 2028	£1,964,000	2,406	0.21
National Grid Electricity Transmission 6.5% Bonds 2028	£669,000	903	0.08
SSE 8.375% Notes 2028	£1,170,000	1,816	0.15
Treasury 6% Stock 2028	£42,205,749	62,781	5.36
Anglian Water Services Finance 6.625% Bonds 2029	£927,000	1,273	0.11
Centrica 4.375% Notes 2029	£1,852,000	2,056	0.18
Comcast 5.5% Notes 2029	£1,588,000	1,993	0.17
DirecTV 4.375% Notes 2029	£5,764,000	6,053	0.52
European Investment Bank 4.5% 2029	£2,424,000	2,898	0.25
Land Securities Capital Markets A6 5.376% Notes 2029	£753,000	923	0.08
Severn Trent Utilities Finance 6.25% Bonds 2029	£1,706,000	2,280	0.19
Southern Gas Network 4.875% Bonds 2029	£920,000	1,064	0.09
Southern Water Services Finance 6.192% Bonds 2029	£836,000	1,084	0.09
Wells Fargo 3.5% Notes 2029	£2,214,000	2,227	0.19
America Movil 5.75% Bonds 2030	£4,737,000	5,833	0.50
Anglian Water Services Finance 6.293% Bonds 2030	£767,000	1,014	0.09
Brit Insurance Holdings 6.625% Notes 2030	£55,000	49	0.00
Deutsche Telekom 7.625% Bonds 2030	£794,000	1,172	0.10
Heathrow Funding A 7.075% Bonds 2030	£530,000	735	0.06
HJ Heinz 6.25% Bonds 2030	£553,000	613	0.05
HSBC Bank 5.375% Notes 2030	£2,632,000	2,982	0.25
Mitchells & Butlers 5.574% Bonds 2030	£1,063,900	1,208	0.10
Mitchells & Butlers 6.013% Bonds 2030	£849,000	942	0.08
Motability Operations 5.625% Notes 2030	£800,000	1,022	0.09
Network Rail Infrastructure Finance 4.375% Notes 2030	£4,926,000	5,912	0.50
Procter & Gamble 6.25% Bonds 2030	£920,000	1,276	0.11
RWE Finance 6.25% Notes 2030	£1,860,000	2,411	0.21

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Sterling Denominated Long Term Bonds (continued)			
South Eastern Power Networks 5.625% Notes 2030	£650,000	793	0.07
Thames Water Utilities Cayman 5.75% Notes 2030	£3,270,000	3,887	0.33
Treasury 4.75% Stock 2030	£43,000	57	0.00
Wales & West Utilities Finance 5.75% Notes 2030	£706,000	884	0.08
Wal-Mart Stores 5.75% Bonds 2030	£1,170,000	1,545	0.13
Broadgate Financing A2 4.949% Bonds 2031	£589,907	701	0.06
Citigroup 4.5% Bonds 2031	£4,345,000	4,319	0.37
EDF 5.875% Bonds 2031	£1,447,000	1,760	0.15
GE Capital 5.625% Notes 2031	£418,000	510	0.04
Great Rolling Stock 6.5% Bonds 2031	£1,362,000	1,751	0.15
Greene King Finance A2 5.318% Notes 2031	£604,159	657	0.06
Legal & General Finance 5.875% Notes 2031	£836,000	1,061	0.09
National Grid Electricity Transmission 7.375% Notes 2031	£3,909,000	5,675	0.48
Places for People Homes 5.875% Notes 2031	£400,000	481	0.04
RZD Capital 7.487% Notes 2031	£2,507,000	3,084	0.26
South Eastern Power Networks 6.375% Notes 2031	£706,000	932	0.08
Time Warner Cable 5.75% Notes 2031	£1,505,000	1,799	0.15
Yorkshire Water Services Odsal Financial 6.6011% Bonds 2031	£459,000	624	0.05
E.ON International Finance 6.375% Notes 2032	£2,296,000	3,090	0.26
European Investment Bank 5.625% Bonds 2032	£436,000	591	0.05
KFW 5.75% Bonds 2032	£2,700,000	3,861	0.33
Land Securities Capital Markets Class A7 5.396% Notes 2032	£753,000	938	0.08
Mitchells & Butlers 6.469% Bonds 2032	£420,000	423	0.04
Southern Electric Power Distribution 5.5% Bonds 2032	£1,265,000	1,582	0.13
Thames Water Utilities Finance 6.5% Bonds 2032	£600,000	811	0.07
Treasury 4.25% Stock 2032	£5,954,000	7,423	0.63
Western Power Distribution West Midlands 5.75% Notes 2032	£1,922,000	2,385	0.20

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Sterling Denominated Long Term Bonds (continued)			
Broadgate Financing (C2) 5.098% Bonds 2033	£505,000	513	0.04
Canary Wharf Finance II A1 6.455% Bonds 2033	£2,708,368	3,491	0.30
Centrica 7% Bonds 2033	£3,338,000	4,849	0.41
GlaxoSmithKline Capital 5.25% Notes 2033	£2,424,000	3,049	0.26
Heathrow Funding 6.45% Bonds 2033	£2,196,000	2,895	0.25
Juturna (European Loan Conduit No 16) 5.0636% Bonds 2033	£1,822,282	2,124	0.18
Legal & General Group 5.875% Notes 2033	£503,000	640	0.05
Northumbrian Water Finance 5.625% Bonds 2033	£5,470,000	6,802	0.58
Procter & Gamble 5.25% Bonds 2033	£418,000	532	0.05
Telereal Securitisation 4.0902% Bonds 2033	£3,843,000	4,015	0.34
Telereal Securitisation 6.1645% Bonds 2033	£3,880,900	4,733	0.40
Wessex Water Services Finance 5.75% Bonds 2033	£344,000	433	0.04
B.A.T. International Finance 6% Notes 2034	£1,170,000	1,543	0.13
France Telecom 5.625% Bonds 2034	£1,216,000	1,442	0.12
Greene King Finance 5.106% Notes 2034	£410,000	422	0.04
RWE Finance 4.75% Notes 2034	£1,500,000	1,646	0.14
Scotland Gas Network 4.875% Bonds 2034	£700,000	794	0.07
Thames Water Utilities Cayman 4.375% Bonds 2034	£971,000	1,042	0.09
British Land 5.264% Bonds 2035	£753,000	785	0.07
Control Section 1 Finance 5.234% Bonds 2035	£429,000	538	0.05
Eversholt Funding 6.697% Notes 2035	£5,234,000	6,817	0.58
Great Rolling Stock 6.875% Notes 2035	£1,229,000	1,576	0.13
Northern Electric Finance 5.125% Bonds 2035	£400,000	454	0.04
Slough Estates 5.75% Notes 2035	£430,000	504	0.04
Wells Fargo 4.625% Bonds 2035	£1,769,000	1,942	0.17
Wells Fargo 4.875% Bonds 2035	£4,950,000	5,294	0.45

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Sterling Denominated Long Term Bonds (continued)			
White City Property Finance 5.1202% Bonds 2035	£903,470	1,031	0.09
Yorkshire Electricity 5.125% Bonds 2035	£500,000	569	0.05
EDF Energy Networks 6.25% Notes 2036	£882,000	1,160	0.10
Land Securities Capital Markets 5.125% Bonds 2036	£1,170,000	1,429	0.12
Longstone Finance 4.791% Bonds 2036	£1,195,609	1,402	0.12
Longstone Finance 4.896% Notes 2036	£495,000	513	0.04
Treasury 4.25% Stock 2036	£1,150,000	1,428	0.12
Wales & West Utilities Finance 6.75% Notes 2036	£300,000	363	0.03
Wellcome Trust Finance 4.625% Bonds 2036	£1,204,000	1,416	0.12
Canary Wharf Finance II 1st Mortgage Debenture 5.952% Bonds 2037	£1,005,000	1,329	0.11
E.ON International Finance 5.875% Bonds 2037	£3,700,000	4,762	0.41
EDF 5.5% Notes 2037	£1,300,000	1,505	0.13
ENEL 5.75% Notes 2037	£1,357,000	1,321	0.11
Gatwick Funding 5.75% Notes 2037	£600,000	722	0.06
GE Capital 4.875% Notes 2037	£1,839,000	1,920	0.16
Southern Electric Power Distribution 4.625% Notes 2037	£50,000	56	0.00
Thames Water Utilities Finance 5.125% Notes 2037	£1,460,000	1,702	0.15
Yorkshire Water Services 5.5% Bonds 2037	£150,000	187	0.02
Circle Anglia Social Housing 7.25% Notes 2038	£1,004,000	1,481	0.13
GE Capital 6.25% Notes 2038	£1,588,000	2,102	0.18
Goldman Sachs Group 6.875% Bonds 2038	£885,000	1,099	0.09
High Speed Rail Finance 4.375% Notes 2038	£4,168,000	4,495	0.38
National Grid Gas 6% Bonds 2038	£55,000	71	0.01
Pfizer 6.5% Bonds 2038	£3,700,000	5,339	0.46
Southern Water Services Finance 4.5% Notes 2038	£3,221,000	3,403	0.29
Southern Water Services Finance 7.869% Bonds 2038	£1,999,000	2,098	0.18

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Sterling Denominated Long Term Bonds (continued)			
SSE 6.25% Notes 2038	£200,000	269	0.02
Citigroup 7.375% Bonds 2039	£4,287,000	6,453	0.55
E.ON International Finance 6.75% Bonds 2039	£1,750,000	2,481	0.21
GE Capital 8% Notes 2039	£1,532,000	2,373	0.20
GlaxoSmithKline Capital 6.375% Notes 2039	£1,329,000	1,887	0.16
RSA Insurance Group 9.375% Notes 2039	£6,070,000	7,907	0.67
RWE Finance 6.125% Notes 2039	£5,350,000	6,930	0.59
Yorkshire Water Services 6.375% Bonds 2039	£2,800,000	3,842	0.33
Anglian Water B 5.5% Notes 2040	£360,000	406	0.03
Aspire Defence Finance A 4.674% Bonds 2040	£2,075,000	2,233	0.19
Aspire Defence Finance B 4.674% Bonds 2040	£3,663,000	3,943	0.34
AT&T 7% Notes 2040	£6,200,000	9,128	0.78
Dong Energy 5.75% Notes 2040	£1,263,000	1,560	0.13
ENEL Finance International 5.75% Bonds 2040	£3,131,000	3,027	0.26
GE Capital 5.375% Notes 2040	£1,004,000	1,181	0.10
Northern Gas 5.625% Notes 2040	£1,843,000	2,256	0.19
Southern Gas Network 6.375% Notes 2040	£618,000	832	0.07
UPP 4.9023% Notes 2040	£5,589,000	5,985	0.51
Western Power Distribution 5.75% Bonds 2040	£450,000	559	0.05
Western Power Distribution 6.25% Notes 2040	£750,000	993	0.08
CNP Assurances 7.375% Notes 2041	£1,900,000	2,069	0.18
Legal & General Group 10% Bonds 2041	£851,000	1,205	0.10
Rabobank Nederland 5.25% Bonds 2041	£2,006,000	2,327	0.20
Thames Water Cayman 5.5% Notes 2041	£1,015,000	1,244	0.11
BHP Billiton Finance Notes 4.3% 2042	£3,176,000	3,345	0.29
Direct Line Insurance 9.25% Notes 2042	£2,089,000	2,657	0.23
GlaxoSmithKline 5.25% Bonds 2042	£2,849,000	3,506	0.30
Hastoe Capital 5.6% Bonds 2042	£300,000	357	0.03

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Sterling Denominated Long Term Bonds (continued)			
Muenchener Rueckversicherungs 6.625% Notes 2042	£800,000	976	0.08
Northumbrian Water Finance 5.125% Bonds 2042	£882,000	1,009	0.09
Severn Trent Water Utilities Finance 4.875% Notes 2042	£700,000	779	0.07
Standard Life 5.5% Notes 2042	£2,340,000	2,553	0.22
Time Warner Cable 5.25% Notes 2042	£2,173,000	2,391	0.20
Treasury 4.5% Stock 2042	£7,755,000	10,045	0.86
Allianz Finance II 4.5% Notes 2043	£3,900,000	4,204	0.36
Gatwick Funding 6.5% Notes 2043	£794,000	1,050	0.09
Heathrow Funding 5.875% Bonds 2043	£1,839,000	2,291	0.20
Places for People Homes 5.09% Bonds 2043	£920,000	1,067	0.09
Sovereign Housing 4.768% Notes 2043	£500,000	567	0.05
AT&T Income 4.875% Bonds 2044	£1,839,000	2,055	0.18
Centrica 4.25% Notes 2044	£1,839,000	1,862	0.16
Circle Anglia Social Housing 5.2% Notes 2044	£400,000	462	0.04
Thames Water Utilities Cayman 4.625% Bonds 2046	£971,000	1,026	0.09
Sanctuary Capital 5% Bonds 2047	£1,323,000	1,562	0.13
Assicurazioni Generali 6.269% Bonds 2049	£650,000	542	0.05
France Telecom 5.375% Bonds 2050	£1,350,000	1,491	0.13
LCR Finance 5.1% Bonds 2051	£2,590,000	3,557	0.30
Southern Water Services A Finance 4.5% Bonds 2052	£471,000	468	0.04
Thames Water Cayman 7.241% Bonds 2058	£2,549,000	3,131	0.27
GDF Suez 5% Bonds 2060	£5,100,000	5,605	0.48
Reseau Ferre de France 4.83% Bonds 2060	£6,057,000	6,461	0.55
Linde Finance 8.125% Bonds 2066	£586,000	683	0.06
Siemens Financiering 6.125% Notes 2066	£1,839,000	2,033	0.17
American International Group 5.75% Notes 2067	£800,000	771	0.07
BG Energy Capital 6.5% Notes 2072	£750,000	832	0.07
KPN 6.875% Notes 2073	£4,831,000	4,901	0.42

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Sterling Denominated Long Term Bonds (continued)			
NGG Finance 5.625% Notes 2073	£5,873,000	6,046	0.52
Assicurazioni Generali 6.416% Perpetual Notes	£900,000	778	0.07
Aviva 5.9021% Perpetual Bonds	£11,121,000	10,923	0.93
Aviva 6.125% Perpetual Notes	£2,300,000	2,313	0.20
AXA 6.6862% Perpetual Notes	£882,000	894	0.08
Bank of Scotland 7.281% Perpetual Bonds	£836,000	840	0.07
Bank of Scotland 7.286% Perpetual Bonds	£1,747,000	1,756	0.15
Bank of Scotland 7.754% Perpetual Bonds	£3,509,000	3,597	0.31
Barclays Bank 5.3304% Perpetual Bonds	£5,305,000	4,668	0.40
Barclays Bank 6.125% Perpetual Bonds	£1,671,000	1,588	0.14
Barclays Bank 6.375% Perpetual Bonds	£2,368,000	2,344	0.20
Barclays Bank 7.125% Perpetual Bonds	£3,664,000	3,756	0.32
BNP Paribas 5.954% Perpetual Bonds	£4,750,000	4,589	0.39
Credit Agricole 8.125% Perpetual Bonds	£1,450,000	1,526	0.13
EDF 6% Perpetual Notes	£5,600,000	5,919	0.50
HSBC Bank Funding 5.862% Perpetual Bonds	£3,037,000	3,080	0.26
Legal & General Group 6.385% Perpetual Bonds	£6,500,000	6,825	0.58
Nationwide Building Society 5.769% Perpetual Bonds	£890,000	823	0.07
Nationwide Building Society 6.25% Perpetual Bonds	£521,000	488	0.04
Nationwide Building Society 7.859% Perpetual Bonds	£200,000	210	0.02
Nationwide Building Society 7.971% Perpetual Bonds	£508,000	529	0.05
Old Mutual 6.376% Perpetual Notes	£836,000	798	0.07
Rabobank 6.567% Perpetual Notes	£1,671,000	1,760	0.15
Rabobank Capital Funding 5.556% Perpetual Bonds	£949,000	955	0.08
RL Finance 6.125% Perpetual Bonds	£882,000	836	0.07
RSA Insurance Group 6.701% Perpetual Bonds	£5,305,000	5,538	0.47

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
Sterling Denominated Long Term Bonds (continued)			
RSA Insurance Group 8.5% Perpetual Notes	£1,060,000	1,150	0.10
RWE Finance 7% Perpetual Bonds	£12,300,000	13,622	1.16
Scottish & Southern Energy Sterling 5.45% Perpetual Bonds	£7,693,000	8,099	0.69
Society of Lloyds 7.421% Perpetual Notes	£1,611,000	1,692	0.14
Standard Chartered 5.375% Perpetual Notes	£920,000	935	0.08
Standard Chartered 7.75% Perpetual Notes	£3,940,000	4,524	0.39
Standard Chartered 8.103% Perpetual Bonds	£1,421,000	1,605	0.14
Svenska Handelsbanken 5.375% Perpetual Notes	£882,000	886	0.08
Swiss Reinsurance 6.3024% Perpetual Bonds	£2,700,000	2,858	0.24
Zurich Finance 6.625% Perpetual Notes	£1,162,000	1,293	0.11
		555,724	47.41
Sterling Denominated Derivatives 0.17%			
(31.10.12 – 0.03%)			
Long Gilt Futures June 2013	568	2,071	0.17
		2,071	0.17
US Dollar Denominated Medium Term Bonds 0.36%			
(31.10.12 – 0.45%)			
Cemex 5.875% Bonds 2019	US\$6,442,000	4,208	0.36
		4,208	0.36
US Dollar Denominated Long Term Bonds 1.62%			
(31.10.12 – 0.00%)			
Altria 4.5% Notes 2043	US\$11,000,000	6,952	0.59
AG Insurance 6.75% Perpetual Notes	US\$3,600,000	2,404	0.20
Friends Life Group 7.875% Perpetual Notes	US\$9,741,000	6,877	0.59
La Mondiale 7.625% Perpetual Bonds	US\$4,168,000	2,765	0.24
		18,998	1.62

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
US Dollar Denominated Derivatives (0.09)%			
(31.10.12 – 0.02%)			
Forward to buy US\$1,200,000 for £776,595	US\$1,200,000	(2)	0.00
Forward to sell US\$25,251,692 for £16,527,497	US\$(25,251,692)	231	0.02
US 10 Year Futures June 2013	(1,043)	(1,352)	(0.11)
US 5 Year Futures June 2013	(897)	(159)	(0.01)
US Long Bond Futures June 2013	(111)	20	0.00
Berkshire Hathaway 2017 Credit Default Swap Buy Protection ¹	US\$2,100,000	(21)	0.00
Citigroup Japan 2017 Credit Default Swap Buy Protection ¹	US\$16,250,000	(202)	(0.02)
Commonwealth Bank of Australia 2017 Credit Default Swap Buy Protection ¹	US\$2,100,000	(41)	0.00
Credit Suisse Japan 2017 Credit Default Swap Buy Protection ¹	US\$7,250,000	(90)	(0.01)
JPMorgan Chase Bank 2017 Credit Default Swap Buy Protection ^{1 2}	US\$8,000,000	(71)	(0.01)
People's Republic of China 2017 Credit Default Swap Buy Protection ¹	US\$2,100,000	(26)	0.00
BNP Paribas Lowe's Companies 2018 Credit Default Swap Buy Protection ¹	US\$9,485,000	(185)	(0.02)
Campbell Soup Company 2018 Credit Default Swap Buy Protection ¹	US\$5,570,000	(86)	(0.01)
Goodyear Tire & Rubber Company 2018 Credit Default Swap Buy Protection ¹	US\$3,190,000	(30)	0.00
JPMorgan Chase Bank Lowe's Companies 2018 Credit Default Swap Buy Protection ^{1 2}	US\$9,865,000	(193)	(0.02)
Newell Rubbermaid 2018 Credit Default Swap Buy Protection ¹	US\$5,640,000	(55)	0.00
Stanley Black & Decker 2018 Credit Default Swap Buy Protection ¹	US\$5,510,000	(66)	(0.01)
American Axle & Manufacturing 2018 Credit Default Swap Sell Protection ¹	US\$3,190,000	90	0.01
CDX 2018 Credit Default Index Swap Sell Protection ¹	US\$23,700,000	951	0.08

Portfolio Statement (continued)

	Holding at 30.4.13	Market Value £000's	% of net assets
US Dollar Denominated Derivatives (continued)			
Citi Global Markets Debt Total Return Swap 29.7.13 receive 0.125% pay 0.42% ¹	US\$91,000,000	133	0.01
US 10 Year T Note Written Put Options US\$131 23.8.13	481	180	0.02
US 10 Year T Note Written Put Options US\$129.5 23.8.13	(481)	(97)	(0.01)
		(1,071)	(0.09)
Portfolio of investments ³		1,120,953	95.62
Net other assets		51,289	4.38
Net assets attributable to unitholders		1,172,242	100.00%
Investment grade securities		983,561	83.91
Speculative grade securities		114,212	9.74
Unrated securities		26,112	2.23
Total of debt securities		1,123,885	95.88%

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 2013	Cost £000's
Treasury 6% Stock 2028	22,311
Treasury 1% Stock 2017	18,961
Treasury 4.5% Stock 2042	16,490
Treasury 5% Stock 2025	13,329
FirstGroup 5.25% Notes 2022	12,990
Treasury 4.75% Stock 2038	12,877
RWE Finance 7% Perpetual Bonds	12,295
Aviva 5.9021% Perpetual Bonds	11,917
Treasury 4% Stock 2022	10,281
Societe Generale 6.625% Perpetual Notes	10,113

Largest sales

For the six months ended 30 April 2013	Proceeds £000's
Treasury 4% Stock 2022	32,800
Koninklijke KPN 5.75% Notes 2029	15,206
Barclays Bank 10% Notes 2021	15,086
Barclays Bank 14% Perpetual Bonds	13,340
Treasury 5% Stock 2025	13,096
Treasury 4.75% Stock 2038	12,562
Treasury 6% Stock 2028	11,830
European Investment Bank 6.25% Bonds 2014	11,796
Societe Generale 6.625% Perpetual Notes	10,712
KFW 3.25% Bonds 2014	10,279

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 2013 were signed on 14 June 2013 on behalf of the Manager by:

C.E. Helmstetter
Directors

J.M. Cardew

Statement of Total Return (unaudited)

For the six months ended 30 April 2013

	30.4.13		30.4.12	
	£000's	£000's	£000's	£000's
Income				
Net capital gains		53,107		9,908
Revenue	30,812		34,687	
Expenses	(1,225)		(1,364)	
Finance costs:				
Interest payable	(3)		(3)	
Net revenue before taxation	29,584		33,320	
Taxation	0		0	
Net revenue after taxation		29,584		33,320
Total return before distributions		82,691		43,228
Finance costs: Distributions		(33,349)		(37,308)
Change in net assets attributable to unitholders from investment activities		49,342		5,920

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

For the six months ended 30 April 2013

	30.4.13		30.4.12	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		1,490,286 ¹		1,402,592
Amounts receivable on creation of units	20,611		85,831	
Amounts payable on cancellation of units	(414,633)		(93,840)	
		(394,022)		(8,009)
Change in net assets attributable to unitholders from investment activities		49,342		5,920
Retained distribution on Accumulation units		26,636		34,428
Closing net assets attributable to unitholders		1,172,242		1,434,931¹

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 2013

	30.4.13		31.10.12	
	£000's	£000's	£000's	£000's
Assets				
Investment assets		1,129,023		1,390,566
Debtors	22,669		32,055	
Cash and bank balances	50,673		88,405	
Total other assets		73,342		120,460
Total assets		1,202,365		1,511,026
Liabilities				
Investment liabilities		(8,070)		(1,352)
Creditors	(20,796)		(17,918)	
Bank overdrafts	0		(1)	
Distribution payable on Income units	(1,257)		(1,469)	
Total other liabilities		(22,053)		(19,388)
Total liabilities		(30,123)		(20,740)
Net assets attributable to unitholders		1,172,242		1,490,286

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 2012 and are described in those annual accounts.

Distribution Table (unaudited)

Interim distribution
for the six months
ended 30 April 2013

Group 1 Units purchased prior to 1 November 2012

Group 2 Units purchased on or after 1 November 2012

	Gross revenue 2013 p per unit	Income tax 2013 p per unit	Net revenue 2013 p per unit	Equalisation 2013 p per unit	Distribution payable 30.6.13 p per unit	Distribution paid 30.6.12 p per unit
A Income units						
Group 1	1.4024	0.2805	1.1219	–	1.1219	1.1029
Group 2	0.6763	0.1353	0.5410	0.5809	1.1219	1.1029
A Accumulation units						
Group 1	1.6485	0.3297	1.3188	–	1.3188	1.2421
Group 2	0.6913	0.1383	0.5530	0.7658	1.3188	1.2421
I Income (Gross) units ¹						
Group 1	1.3337	0.0000	1.3337	–	1.3337	1.2917
Group 2	1.2140	0.0000	1.2140	0.1197	1.3337	1.2917
I Accumulation (Gross) units ¹						
Group 1	5.2533	0.0000	5.2533	–	5.2533	4.8535
Group 2	2.2181	0.0000	2.2181	3.0352	5.2533	4.8535
X Accumulation (Gross) units ¹						
Group 1	2.7265	0.0000	2.7265	–	2.7265	2.5094
Group 2	1.0356	0.0000	1.0356	1.6909	2.7265	2.5094
Z Income units						
Group 1	1.4931	0.2986	1.1945	–	1.1945	1.1617
Group 2	0.9344	0.1869	0.7475	0.4470	1.1945	1.1617
Z Accumulation units						
Group 1	1.7504	0.3501	1.4003	–	1.4003	1.3074
Group 2	0.9028	0.1806	0.7222	0.6781	1.4003	1.3074

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

Investment Adviser

Schroder Investment Management 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

Registrar¹

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

Administration details

Schroders
FREEPOST
RLTZ-CHSY-HBUT
PO Box 1102
Chelmsford
Essex CM99 2XX
Investor Services
0800 718 777
investorservices@schroders.com
Dealing 0800 718 788
Fax 0870 043 4080

Independent Auditors

PricewaterhouseCoopers LLP
Erskine House
68-73 Queen Street
Edinburgh EH2 4NH

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.

Initial management charge

There is no initial management charge on A Income units and A Accumulation units. Prior to 31 December 2012 the issue price of A Income units and A Accumulation units reflected an initial management charge of 3.25% of the dealing price. This was retained by the Manager. There is no initial management charge on I Income (Gross) units, I Accumulation (Gross) units, X Accumulation (Gross) units, Z Income units and Z Accumulation units.

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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