

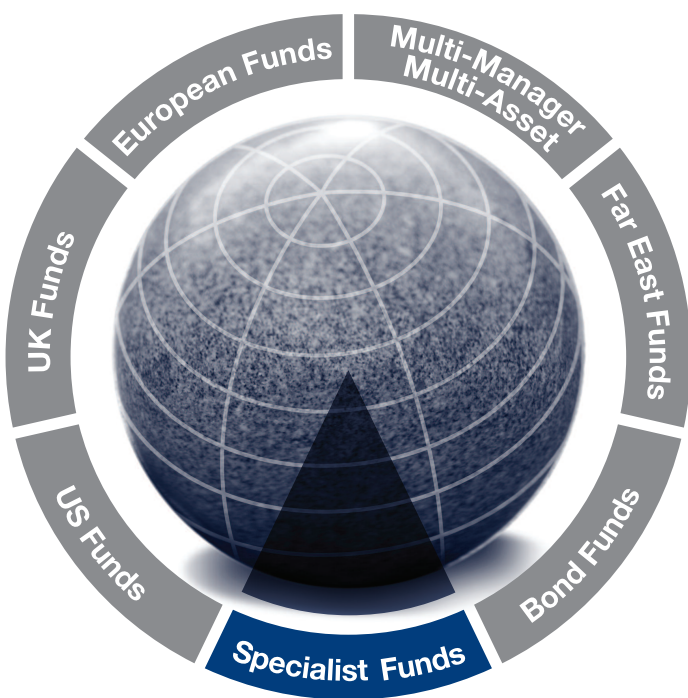
**Schroder**

# Global Property Income Maximiser

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**Interim Report and Accounts**

October 2013



**Schroders**

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**Schroder**

## **Global Property Income Maximiser**

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<sup>1</sup> Collectively these comprise the Authorised Fund Manager's report.

# Fund Information

## Investment objective and policy

The fund's investment objective is to provide income with potential for capital growth primarily through investment in real estate investment trusts, equity and equity related securities and debt securities of property companies worldwide.

In order to generate additional income, the Manager may selectively sell short dated call options over securities or portfolios of securities held by the fund, or indices, by setting individual target 'strike' prices at which those securities may be sold in the future.

The Manager is also permitted to sell put options on securities or portfolios of securities which are not held by the fund, or indices, at target prices that are pre-set below the current market level. The Manager may also, for the purpose of efficient management, use derivative instruments which replicate the performance of a basket of short dated call options or a combination of equity securities and short dated call options.

Investment will primarily be in directly held transferable securities. The fund may also invest in collective investment schemes, cash, deposits, warrants, money market instruments and derivatives. In particular, the fund may buy or sell over the counter and exchange traded derivatives, and enter into total returns swaps. The fund will use derivative instruments for investment purposes as well as for efficient management.

### Further Information

The fund aims to deliver a target yield of 7% per year<sup>1</sup>. The target yield of 7% is not guaranteed and could change according to prevailing market conditions. The Manager will notify unitholders if the target yield changes.

- 1 The yield is the simple sum of the four percentage quarterly distributions that comprise the fund year, each calculated by dividing the quarterly distribution amount by the unit price at the start of that quarter.

## Financial highlights

Dealing price	31.10.13	30.4.13	% change
A Income units	50.02p	55.08p	(9.19)
A Accumulation units	59.21p	63.11p	(6.18)
L Income units	51.88p	–	–
L Accumulation units	51.88p	–	–
Z Income units	50.85p	55.82p	(8.90)
Z Accumulation units	60.23p	64.01p	(5.91)
	1.7.13 to 31.12.13	1.7.12 to 31.12.12	
Distribution per A Income unit	1.8785p	1.8238p	

# Fund Information (continued)

## Fund information

Launch date	18 February 2011
Launch price	50.00p per A Income unit
	50.00p per A Accumulation unit
	50.00p per Z Income unit
	50.00p per Z Accumulation unit
Launch date	1 October 2013
Launch price	50.00p per L Income unit
	50.00p per L Accumulation unit

	Quarterly	Interim	Quarterly	Final
Accounting dates	31 July	31 October	31 January	30 April
Revenue allocation dates	30 September	31 December <sup>1</sup>	31 March	30 June

<sup>1</sup> The first Revenue allocation date for L Income units and L Accumulation units will be 31 March 2014.

## Ongoing charges figure

	For the period to 31.10.13	For the year to 30.4.13
A Income units	1.70% <sup>1</sup>	1.71%
A Accumulation units	1.70% <sup>1</sup>	1.71%
L Income units	0.87% <sup>1</sup>	–
L Accumulation units	0.87% <sup>1</sup>	–
Z Income units	0.95% <sup>1</sup>	0.96%
Z Accumulation units	0.95% <sup>1</sup>	0.96%

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

## Total purchases and sales

	For the period to 31.10.13 £000's	For the year to 30.4.13 £000's
Total purchases	24,649	41,070
Total sales	6,624	23,232

# Review of Investment Activities

**From 30 April 2013 to 31 October 2013, the price of A Accumulation units on a dealing price to dealing price basis, which reflects the reinvestment of the distribution paid to unitholders, fell 6.18%. The fund does not measure its performance against a benchmark because the options overlay strategy is expected to result in diverging performance according to market conditions.**

The recovery in share prices continued steadily in most markets until 22 May when US Federal Reserve Chairman Ben Bernanke noted that the pace of monetary stimulus would ultimately be reduced. While he noted that such actions would occur as and when it became clear that the US economy was recovering, this caveat was ignored by the markets. The immediate reaction was a surge in bond yields and a sharp decline in income oriented vehicles of any kind, especially Japanese REITs, which fell nearly 30% by mid June following a 60% surge.

The fund delivered its income target over the period, due to a combination of dividends from our holdings and the income enhancement strategy. We continue to implement the strategy on a stock by stock basis, carefully selecting which names to target for income, while giving other names room to rise as much as possible.

We sold out of EPR Properties, Brandywine Realty Trust and Weingarten Realty Investors following good gains. In terms of purchases, we invested inflows across the portfolio, topping up on Healthcare Realty Trust and Health Care Real Estate Investment Trust among others.

In terms of our overall outlook, we expect to see a continuation in the global recovery and for central banks to maintain their willingness to support growth well into next year. This should help the emerging markets to resume their expansion, albeit at a slower pace than in the past. Against this backdrop, we expect the property sector to benefit from relatively low interest rates and moderate additions to supply over the coming quarters.

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.



**Co-Fund Manager:**  
**Dr Thomas See,**  
**Schroders**

Responsible for Schroders' £2.8bn (31 October 2013) range of Maximiser funds  
25 years of investment experience  
Head of Structured Fund Management and co-manager for the Maximiser funds  
BA (Double First with Distinction), PhD in Engineering, Cambridge University



**Co-Fund Manager:**  
**Jim Rehlaender, EII**

30 years of investment experience  
Executive Board member for the European Public Real Estate Association (EPRA)  
BA, College of William and Mary; MBA, Northwestern University

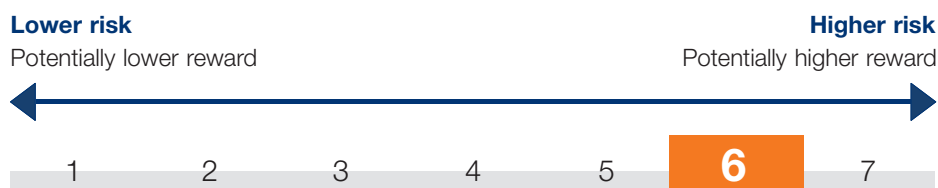


**Co-Fund Manager:**  
**Al Otero, EII**

22 years of US REIT investment experience  
MBA, University of Notre Dame; BBA in Finance

# Risk Profile

## Risk and reward indicator



The risk category was calculated using simulated 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 emerging markets and the Far East. This involves a high degree of risk and should be seen as long term in nature.

The fund is index unconstrained and has the potential for greater volatility.

The fund focuses on specific sectors. This carries more risk than funds spread across a number of different industry sectors.

The fund uses derivatives to achieve its investment objective. The way in which derivatives are used will increase the revenue paid to investors and reduce volatility, but there is the potential that performance or capital value may be eroded.

As a result of the expenses being charged wholly to capital, the distributable revenue of the fund may be higher, but the capital value of the fund may be eroded which may affect future performance.

The target yield quoted is an estimate and is not guaranteed. It is quoted net of basic rate tax, however, higher rate tax payers should note that they may be liable for further deductions.

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
2011	53.89	42.36	54.55	43.76
2012	50.14	46.05	56.98	48.53
2013 to 31 October	55.96	47.59	65.16	55.58

Year to 31 December	L Income units		L Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
2011	–	–	–	–
2012	–	–	–	–
2013 to 31 October	52.12	50.00	52.12	50.00

Year to 31 December	Z Income units		Z Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
2011	54.01	42.58	54.66	43.96
2012	51.09	46.40	57.73	48.85
2013 to 31 October	56.74	48.32	66.12	56.42

## Net revenue

Year to 31 December	A Income units pence per unit	A Accumulation units pence per unit
2011	2.5299	2.6742
2012	3.4012	3.6846
2013 to 31 October	3.5480	4.1032

Year to 31 December	Z Income units pence per unit	Z Accumulation units pence per unit
2011	2.5221	2.6281
2012	3.4491	3.7573
2013 to 31 October	3.5965	4.0667

The first Revenue allocation date for L Income units and L Accumulation units will be 31 March 2014.

# Net Asset Value and Comparative Tables (continued)

Net asset value

As at 30 April	Net asset value £000's	Net asset value per unit p	Number of units in issue
<b>2012</b>			
A Income units	28,401	47.79	59,423,510
A Accumulation units	4,939	51.95	9,507,507
Z Income units	9,205	48.14	19,121,620
Z Accumulation units	10,588	52.40	20,204,719
<b>2013</b>			
A Income units	52,906	54.16	97,678,515
A Accumulation units	10,083	63.05	15,992,504
Z Income units	26,737	54.90	48,705,990
Z Accumulation units	739	63.93	1,155,278
<b>2013 at 31 October</b>			
A Income units	47,611	48.82	97,524,006
A Accumulation units	9,927	58.98	16,831,056
L Income units	1	51.67	2,000
L Accumulation units	1	51.67	2,000
Z Income units	39,274	49.63	79,138,854
Z Accumulation units	2,130	59.99	3,550,212

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 31.10.13	Market Value £000's	% of net assets
<b>Australia 8.51%</b>			
(30.4.13 – 8.19%)			
CFS Retail Property Trust Units	1,000,000	1,220	1.23
GPT Group Stapled	575,000	1,250	1.26
Mirvac Group Stapled	1,900,000	1,949	1.97
Stockland Trust Group Units	810,000	1,910	1.93
Westfield Retail Trust Units	1,150,000	2,094	2.12
		<b>8,423</b>	<b>8.51</b>
<b>Bermuda 0.99%</b>			
(30.4.13 – 0.85%)			
Hongkong Land Holdings	255,000	978	0.99
		<b>978</b>	<b>0.99</b>
<b>Canada 1.58%</b>			
(30.4.13 – 1.90%)			
RioCan Real Estate Investment Trust Units	102,439	1,567	1.58
		<b>1,567</b>	<b>1.58</b>
<b>Cayman Islands 1.98%</b>			
(30.4.13 – 1.50%)			
China Resources Land	875,000	1,577	1.59
SOHO China	700,000	382	0.39
		<b>1,959</b>	<b>1.98</b>
<b>China 1.49%</b>			
(30.4.13 – 1.60%)			
Guangzhou R&F Properties H	1,350,000	1,474	1.49
		<b>1,474</b>	<b>1.49</b>
<b>France 6.04%</b>			
(30.4.13 – 6.25%)			
Fonciere des Regions	22,400	1,195	1.21
Gecina	11,700	972	0.98
icade	17,675	1,010	1.02
Klepierre	25,016	700	0.71
Unibail-Rodamco	12,871	2,102	2.12
		<b>5,979</b>	<b>6.04</b>

# Portfolio Statement (continued)

	Holding at 31.10.13	Market Value £000's	% of net assets
<b>Hong Kong 5.80%</b>			
(30.4.13 – 4.64%)			
China Overseas Land & Investment	740,000	1,423	1.44
Hang Lung Properties	500,000	1,024	1.03
Hysan Development	418,704	1,208	1.22
Sino Land	1,072,051	928	0.94
Sun Hung Kai Properties	141,919	1,155	1.17
		<b>5,738</b>	<b>5.80</b>
<b>Japan 11.71%</b>			
(30.4.13 – 11.87%)			
Mitsubishi Estate	161,000	2,857	2.89
Mitsui Fudosan	149,000	3,058	3.09
Nippon Prologis Real Estate Investment Trust Units	395	2,443	2.47
Sumitomo Realty & Development	110,000	3,228	3.26
		<b>11,586</b>	<b>11.71</b>
<b>Netherlands 3.10%</b>			
(30.4.13 – 3.50%)			
Eurocommercial Properties	57,300	1,518	1.53
VastNed Retail	14,750	423	0.43
Wereldhave	23,335	1,131	1.14
		<b>3,072</b>	<b>3.10</b>
<b>Singapore 3.78%</b>			
(30.4.13 – 4.16%)			
Ascendas Real Estate Investment Trust Units	850,000	1,003	1.01
CapitaCommercial Trust Units	1,475,000	1,092	1.10
CapitaMall Trust Units	825,000	832	0.84
Keppel REIT Asia Units	1,350,000	816	0.83
		<b>3,743</b>	<b>3.78</b>
<b>Sweden 1.08%</b>			
(30.4.13 – 1.19%)			
Castellum	111,500	1,066	1.08
		<b>1,066</b>	<b>1.08</b>

# Portfolio Statement (continued)

	Holding at 31.10.13	Market Value £000's	% of net assets
<b>United Kingdom 5.38%</b>			
(30.4.13 – 4.63%)			
British Land	330,000	2,051	2.07
Hammerson	91,000	481	0.49
Land Securities Group	140,000	1,383	1.40
Segro	432,000	1,409	1.42
		<b>5,324</b>	<b>5.38</b>
<b>United States 49.13%</b>			
(30.4.13 – 47.80%)			
Alexandria Real Estate Equities	77,000	3,123	3.16
AvalonBay Communities	20,100	1,566	1.58
Boston Properties	34,300	2,219	2.24
BRE Properties A	53,000	1,804	1.82
Eastgroup Properties	36,300	1,438	1.45
Equity Residential Properties Trust	86,100	2,798	2.83
Health Care Real Estate Investment Trust	87,500	3,545	3.58
Healthcare Realty Trust	138,100	2,092	2.11
Highwoods Properties	79,400	1,915	1.94
Kimco Realty	115,800	1,548	1.57
Liberty Property Trust	100,700	2,320	2.35
Macerich	65,000	2,396	2.42
Mid-America Apartment Communities	54,200	2,240	2.26
Prologis	119,505	2,969	3.00
PS Business Parks A	34,800	1,764	1.78
Public Storage	13,800	1,440	1.46
Ramco-Gershenson Properties Trust	123,700	1,254	1.27
Simon Property Group	52,000	5,026	5.08
Starwood Hotels & Resorts Worldwide B	61,900	2,857	2.89
Taubman Centers	29,300	1,201	1.21
Urstadt Biddle Properties A	87,900	1,081	1.09
Vornado Realty Trust	36,300	2,013	2.04
		<b>48,609</b>	<b>49.13</b>
<b>Australian Dollar Denominated Derivatives (0.17)%</b>			
(30.4.13 – (0.12)%)			
CFS Retail Property Trust Units Written Call Option A\$2.02 22.11.13 <sup>1</sup>	(370,000)	(16)	(0.02)
GPT Group Stapled Written Call Option A\$3.708 22.11.13 <sup>1</sup>	(136,000)	(5)	(0.01)
Mirvac Group Stapled Written Call Option A\$1.7201 22.11.13 <sup>1</sup>	(647,500)	(20)	(0.02)

# Portfolio Statement (continued)

	Holding at 31.10.13	Market Value £000's	% of net assets
<b>Australian Dollar Denominated Derivatives (continued)</b>			
Stockland Trust Group Units Written Call Option A\$3.914 22.11.13 <sup>1</sup>	(299,700)	(23)	(0.02)
Westfield Retail Trust Units Written Call Option A\$2.9772 22.11.13 <sup>1</sup>	(305,250)	(23)	(0.02)
CFS Retail Property Trust Units Written Call Option A\$2.091 23.1.14 <sup>1</sup>	(600,000)	(18)	(0.02)
GPT Group Stapled Written Call Option A\$3.8198 23.1.14 <sup>1</sup>	(421,750)	(12)	(0.01)
Mirvac Group Stapled Written Call Option A\$1.8096 23.1.14 <sup>1</sup>	(1,195,500)	(26)	(0.03)
Westfield Retail Trust Units Written Call Option A\$3.202 23.1.14 <sup>1</sup>	(810,250)	(23)	(0.02)
		<b>(166)</b>	<b>(0.17)</b>
<b>Euro Denominated Derivatives (0.26)%</b>			
(30.4.13 – (0.25)%)			
Eurocommercial Properties Written Call Option €27.785 22.11.13 <sup>1</sup>	(17,050)	(26)	(0.03)
Fonciere des Regions Written Call Option €60.5233 22.11.13 <sup>1</sup>	(11,108)	(25)	(0.03)
Gecina Written Call Option €90.584 22.11.13 <sup>1</sup>	(4,403)	(29)	(0.03)
icade Written Call Option €68.166 22.11.13 <sup>1</sup>	(9,831)	(8)	(0.01)
Klepierre Written Call Option €31.7367 22.11.13 <sup>1</sup>	(9,534)	(12)	(0.01)
Unibail-Rodamco Written Call Option €178.08 22.11.13 <sup>1</sup>	(4,310)	(54)	(0.05)
Wereldhave Written Call Option €51.8215 22.11.13 <sup>1</sup>	(8,874)	(41)	(0.04)
Eurocommercial Properties Written Call Option €31.71 23.1.14 <sup>1</sup>	(38,531)	(4)	0.00
Fonciere des Regions Written Call Option €66.5689 23.1.14 <sup>1</sup>	(10,620)	(7)	(0.01)
Gecina Written Call Option €103.9291 23.1.14 <sup>1</sup>	(6,946)	(7)	(0.01)
icade Written Call Option €71.3383 23.1.14 <sup>1</sup>	(7,313)	(6)	0.00
Klepierre Written Call Option €34.2222 23.1.14 <sup>1</sup>	(14,731)	(8)	(0.01)
Unibail-Rodamco Written Call Option €205.7814 23.1.14 <sup>1</sup>	(8,174)	(16)	(0.02)
VastNed Retail Written Call Option €35.5661 23.1.14 <sup>1</sup>	(14,307)	(6)	0.00

# Portfolio Statement (continued)

	Holding at 31.10.13	Market Value £000's	% of net assets
<b>Euro Denominated Derivatives (continued)</b>			
Wereldhave Written Call Option €59.2002 23.1.14 <sup>1</sup>	(13,760)	(10)	(0.01)
		<b>(259)</b>	<b>(0.26)</b>
<b>Hong Kong Dollar Denominated Derivatives (0.13)%</b>			
(30.4.13 – (0.11)%)			
China Overseas Land & Investment Written Call Option HK\$25.795 22.11.13 <sup>1</sup>	(324,000)	(4)	0.00
China Resources Land Written Call Option HK\$24.623 22.11.13 <sup>1</sup>	(356,000)	(2)	0.00
Guangzhou R&F Properties H Written Call Option HK\$14.162 22.11.13 <sup>1</sup>	(462,400)	(9)	(0.01)
Hang Lung Properties Written Call Option HK\$27.401 22.11.13 <sup>1</sup>	(229,000)	0	0.00
Hysan Development Written Call Option HK\$35.38 22.11.13 <sup>1</sup>	(166,000)	(18)	(0.02)
Sino Land Written Call Option HK\$11.206 22.11.13 <sup>1</sup>	(442,000)	(3)	0.00
Sun Hung Kai Properties Written Call Option HK\$105.063 22.11.13 <sup>1</sup>	(58,000)	(1)	0.00
China Overseas Land & Investment Written Call Option HK\$26.157 23.1.14 <sup>1</sup>	(392,000)	(14)	(0.01)
China Resources Land Written Call Option HK\$24.832 23.1.14 <sup>1</sup>	(492,000)	(19)	(0.02)
Guangzhou R&F Properties H Written Call Option HK\$15.158 23.1.14 <sup>1</sup>	(846,800)	(23)	(0.02)
Hang Lung Properties Written Call Option HK\$27.795 23.1.14 <sup>1</sup>	(256,000)	(6)	(0.01)
Hysan Development Written Call Option HK\$38.696 23.1.14 <sup>1</sup>	(240,000)	(7)	(0.01)
Sino Land Written Call Option HK\$11.598 23.1.14 <sup>1</sup>	(596,000)	(8)	(0.01)
SOHO China Written Call Option HK\$7.163 23.1.14 <sup>1</sup>	(679,000)	(6)	(0.01)
Sun Hung Kai Properties Written Call Option HK\$106.673 23.1.14 <sup>1</sup>	(79,000)	(6)	(0.01)
		<b>(126)</b>	<b>(0.13)</b>

# Portfolio Statement (continued)

	Holding at 31.10.13	Market Value £000's	% of net assets
<b>Japanese Yen Denominated Derivatives (0.19)%</b>			
(30.4.13 – (0.11)%)			
Mitsubishi Estate Written Call Option ¥3,030 22.11.13 <sup>1</sup>	(52,000)	(5)	(0.01)
Mitsui Fudosan Written Call Option ¥3,626 22.11.13 <sup>1</sup>	(48,000)	(2)	0.00
Sumitomo Realty & Development Written Call Option ¥5,204 22.11.13 <sup>1</sup>	(35,000)	(4)	0.00
Mitsubishi Estate Written Call Option ¥3,057 23.1.14 <sup>1</sup>	(104,000)	(50)	(0.05)
Mitsui Fudosan Written Call Option ¥3,536 23.1.14 <sup>1</sup>	(96,000)	(57)	(0.06)
Sumitomo Realty & Development Written Call Option ¥5,128 23.1.14 <sup>1</sup>	(71,000)	(70)	(0.07)
		<b>(188)</b>	<b>(0.19)</b>
<b>Singapore Dollar Denominated Derivatives (0.09)%</b>			
(30.4.13 – (0.04)%)			
Ascendas Real Estate Investment Trust Units Written Call Option S\$2.2194 22.11.13 <sup>1</sup>	(272,000)	(21)	(0.02)
CapitaCommercial Trust Units Written Call Option S\$1.3939 22.11.13 <sup>1</sup>	(472,000)	(21)	(0.02)
CapitaMall Trust Units Written Call Option S\$1.8916 22.11.13 <sup>1</sup>	(264,000)	(18)	(0.02)
Ascendas Real Estate Investment Trust Units Written Call Option S\$2.4512 23.1.14 <sup>1</sup>	(552,000)	(14)	(0.01)
CapitaCommercial Trust Units Written Call Option S\$1.5451 23.1.14 <sup>1</sup>	(958,000)	(12)	(0.01)
CapitaMall Trust Units Written Call Option S\$2.1 23.1.14 <sup>1</sup>	(536,000)	(5)	(0.01)
		<b>(91)</b>	<b>(0.09)</b>
<b>Swedish Krona Denominated Derivatives (0.03)%</b>			
(30.4.13 – (0.03)%)			
Castellum Written Call Option SEK93.2121 22.11.13 <sup>1</sup>	(55,585)	(30)	(0.03)
Castellum Written Call Option SEK103.7462 23.1.14 <sup>1</sup>	(52,570)	(2)	0.00
		<b>(32)</b>	<b>(0.03)</b>

# Portfolio Statement (continued)

	Holding at 31.10.13	Market Value £000's	% of net assets
<b>Sterling Denominated Derivatives (0.18)%</b>			
(30.4.13 – (0.10)%)			
British Land Written Call Option £5.6717 22.11.13 <sup>1</sup>	(103,600)	(53)	(0.05)
Hammerson Written Call Option £5.0425 22.11.13 <sup>1</sup>	(33,670)	(11)	(0.01)
Land Securities Group Written Call Option £8.9809 22.11.13 <sup>1</sup>	(37,000)	(33)	(0.03)
Segro Written Call Option £3.0981 22.11.13 <sup>1</sup>	(164,650)	(31)	(0.03)
British Land Written Call Option £6.4464 23.1.14 <sup>1</sup>	(216,500)	(22)	(0.02)
Hammerson Written Call Option £5.54767 23.1.14 <sup>1</sup>	(54,600)	(4)	(0.01)
Land Securities Group Written Call Option £10.22676 23.1.14 <sup>1</sup>	(98,800)	(12)	(0.01)
Segro Written Call Option £3.41342 23.1.14 <sup>1</sup>	(254,390)	(15)	(0.02)
		<b>(181)</b>	<b>(0.18)</b>
<b>US Dollar Denominated Derivatives (1.39)%</b>			
(30.4.13 – (0.77)%)			
Alexandria Real Estate Equities Written Call Option US\$63.2913 22.11.13 <sup>1</sup>	(34,300)	(76)	(0.08)
AvalonBay Communities Written Call Option US\$126.8525 22.11.13 <sup>1</sup>	(7,400)	(10)	(0.01)
Boston Properties Written Call Option US\$105.3955 22.11.13 <sup>1</sup>	(13,300)	(18)	(0.02)
BRE Properties A Written Call Option US\$50.2336 22.11.13 <sup>1</sup>	(22,100)	(67)	(0.07)
Eastgroup Properties Written Call Option US\$57.2702 22.11.13 <sup>1</sup>	(14,200)	(59)	(0.06)
Equity Residential Properties Trust Written Call Option US\$53.3301 22.11.13 <sup>1</sup>	(27,000)	(17)	(0.02)
Health Care Real Estate Investment Trust Written Call Option US\$61.5505 22.11.13 <sup>1</sup>	(34,400)	(62)	(0.06)
Healthcare Realty Trust Written Call Option US\$22.8346 22.11.13 <sup>1</sup>	(48,700)	(37)	(0.04)
Highwoods Properties Written Call Option US\$34.1811 22.11.13 <sup>1</sup>	(30,300)	(74)	(0.07)
Hongkong Land Holdings Written Call Option US\$6.6935 22.11.13 <sup>1</sup>	(109,000)	(1)	0.00
Liberty Property Trust Written Call Option US\$34.5979 22.11.13 <sup>1</sup>	(44,000)	(73)	(0.07)

# Portfolio Statement (continued)

	Holding at 31.10.13	Market Value £000's	% of net assets
<b>US Dollar Denominated Derivatives (continued)</b>			
Macerich Written Call Option US\$57.6314 22.11.13 <sup>1</sup>	(15,800)	(13)	(0.01)
Prologis Written Call Option US\$37.0965 22.11.13 <sup>1</sup>	(36,100)	(69)	(0.07)
PS Business Parks A Written Call Option US\$73.3826 22.11.13 <sup>1</sup>	(6,100)	(31)	(0.03)
Public Storage Written Call Option US\$154.8449 22.11.13 <sup>1</sup>	(1,800)	(15)	(0.01)
Ramco-Gershenson Properties Trust Written Call Option US\$14.8546 22.11.13 <sup>1</sup>	(17,600)	(17)	(0.02)
Simon Property Group Written Call Option US\$146.9017 22.11.13 <sup>1</sup>	(20,700)	(108)	(0.11)
Starwood Hotels & Resorts Worldwide B Written Call Option US\$69.4287 22.11.13 <sup>1</sup>	(22,900)	(71)	(0.07)
Taubman Centers Written Call Option US\$69.5559 22.11.13 <sup>1</sup>	(9,400)	(1)	0.00
Vornado Realty Trust Written Call Option US\$82.9464 22.11.13 <sup>1</sup>	(24,400)	(91)	(0.09)
Alexandria Real Estate Equities Written Call Option US\$69.439 23.1.14 <sup>1</sup>	(38,500)	(27)	(0.03)
AvalonBay Communities Written Call Option US\$132.1401 23.1.14 <sup>1</sup>	(12,000)	(14)	(0.01)
Boston Properties Written Call Option US\$113.6711 23.1.14 <sup>1</sup>	(19,900)	(18)	(0.02)
BRE Properties A Written Call Option US\$56.6033 23.1.14 <sup>1</sup>	(29,300)	(23)	(0.02)
Eastgroup Properties Written Call Option US\$65.472 23.1.14 <sup>1</sup>	(19,300)	(11)	(0.01)
Equity Residential Properties Trust Written Call Option US\$55.5194 23.1.14 <sup>1</sup>	(56,500)	(31)	(0.03)
Health Care Real Estate Investment Trust Written Call Option US\$67.3204 23.1.14 <sup>1</sup>	(50,400)	(30)	(0.03)
Healthcare Realty Trust Written Call Option US\$25.5263 23.1.14 <sup>1</sup>	(54,400)	(13)	(0.01)
Highwoods Properties Written Call Option US\$39.2372 23.1.14 <sup>1</sup>	(46,700)	(20)	(0.02)
Hongkong Land Holdings Written Call Option US\$6.6964 23.1.14 <sup>1</sup>	(138,000)	(7)	(0.01)
Kimco Realty Written Call Option US\$22.215 23.1.14 <sup>1</sup>	(112,300)	(33)	(0.03)
Liberty Property Trust Written Call Option US\$38.9755 23.1.14 <sup>1</sup>	(53,600)	(23)	(0.02)



# Portfolio Statement (continued)

	Holding at 31.10.13	Market Value £000's	% of net assets
<b>US Dollar Denominated Derivatives (continued)</b>			
Macerich Written Call Option US\$60.3898 23.1.14 <sup>1</sup>	(47,200)	(35)	(0.04)
Mid-America Apartment Communities Written Call Option US\$68.7525 23.1.14 <sup>1</sup>	(52,500)	(37)	(0.04)
Prologis Written Call Option US\$42.2719 23.1.14 <sup>1</sup>	(79,800)	(30)	(0.03)
PS Business Parks A Written Call Option US\$85.509 23.1.14 <sup>1</sup>	(7,500)	(7)	(0.01)
Public Storage Written Call Option US\$173.8605 23.1.14 <sup>1</sup>	(11,500)	(20)	(0.02)
Ramco-Gershenson Properties Trust Written Call Option US\$16.779 23.1.14 <sup>1</sup>	(36,200)	(10)	(0.01)
Simon Property Group Written Call Option US\$162.7278 23.1.14 <sup>1</sup>	(29,700)	(36)	(0.04)
Starwood Hotels & Resorts Worldwide B Written Call Option US\$77.318 23.1.14 <sup>1</sup>	(37,100)	(30)	(0.03)
Taubman Centers Written Call Option US\$70.6191 23.1.14 <sup>1</sup>	(19,000)	(9)	(0.01)
Vornado Realty Trust Written Call Option US\$93.638 23.1.14 <sup>1</sup>	(10,800)	(8)	(0.01)
		<b>(1,382)</b>	<b>(1.39)</b>
Portfolio of investments <sup>2</sup>		<b>97,093</b>	<b>98.13</b>
Net other assets		1,851	1.87
<b>Net assets attributable to unitholders</b>		<b>98,944</b>	<b>100.00%</b>

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official stock exchange listings.

<sup>1</sup> Over the counter derivative investments not listed on recognised exchanges.

<sup>2</sup> Including derivative liabilities.

# Summary of Portfolio Transactions

## Largest purchases

For the six months ended 31 October 2013	Cost £000's
Simon Property Group	2,625
Mid-America Apartment Communities	2,161
Alexandria Real Estate Equities	1,581
Vornado Realty Trust	1,518
GPT Group Stapled	1,287
Liberty Property Trust	1,196
Healthcare Realty Trust	979
Health Care Real Estate Investment Trust	975
Prologis	875
Kimco Realty	706

## Largest sales

For the six months ended 31 October 2013	Proceeds £000's
Camden Property Trust	2,252
Weingarten Realty Investors	1,196
EPR Properties	929
Brandywine Realty Trust	869
Public Storage	446
Kimco Realty	364
Macerich	335
Eurocommercial Properties	130
Segro	36
Wereldhave	30

# 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 losses 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 31 October 2013 were signed on 17 December 2013 on behalf of the Manager by:

**C.E. Helmstetter**  
Directors

**J.M. Cardew**

# Statement of Total Return (unaudited)

For the six months ended 31 October 2013

	31.10.13	31.10.12
	£000's	£000's
<b>Income</b>		
Net capital (losses)/gains	(8,660)	1,132
Revenue	4,294	2,608
Expenses	(653)	(433)
Net revenue before taxation	<b>3,641</b>	<b>2,175</b>
Taxation	(717)	(403)
Net revenue after taxation	<b>2,924</b>	<b>1,772</b>
<b>Total return before distributions</b>	<b>(5,736)</b>	<b>2,904</b>
Finance costs: Distributions	(3,435)	(2,090)
<b>Change in net assets attributable to unitholders from investment activities</b>	<b>(9,171)</b>	<b>814</b>

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

For the six months ended 31 October 2013

	31.10.13	31.10.12
	£000's	£000's
Opening net assets attributable to unitholders	90,465 <sup>1</sup>	53,133
Amounts receivable on creation of units	22,294	23,724
Amounts payable on cancellation of units	(5,072)	(17,053)
	<b>17,222</b>	<b>6,671</b>
Stamp duty reserve tax	(2)	(2)
Change in net assets attributable to unitholders from investment activities	(9,171)	814
Retained distribution on Accumulation units	430	188
<b>Closing net assets attributable to unitholders</b>	<b>98,944</b>	<b>60,804</b>

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 31 October 2013

	31.10.13		30.4.13	
	£000's	£000's	£000's	£000's
<b>Assets</b>				
Investment assets		99,518		88,736
Debtors	675		714	
Cash and bank balances	4,029		4,121	
Total other assets		<b>4,704</b>		<b>4,835</b>
<b>Total assets</b>		<b>104,222</b>		<b>93,571</b>
<b>Liabilities</b>				
Investment liabilities		(2,425)		(1,392)
Creditors	(1,058)		(451)	
Distribution payable on Income units	(1,795)		(1,263)	
Total other liabilities		<b>(2,853)</b>		<b>(1,714)</b>
<b>Total liabilities</b>		<b>(5,278)</b>		<b>(3,106)</b>
<b>Net assets attributable to unitholders</b>				
		<b>98,944</b>		<b>90,465</b>

# 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 30 April 2013 and are described in those annual accounts.

# Distribution Table (unaudited)

Quarterly distribution  
for the three months  
ended 31 July 2013

**Group 1** Units purchased prior to 1 May 2013

**Group 2** Units purchased on or after 1 May 2013

	Net revenue 2013 p per unit	Equalisation 2013 p per unit	Distribution paid 30.9.13 p per unit	Distribution paid 30.9.12 p per unit
<b>A Income units</b>				
Group 1	0.8688	–	0.8688	0.9933
Group 2	0.3712	0.4976	0.8688	0.9933
<b>A Accumulation units</b>				
Group 1	1.0210	–	1.0210	1.0820
Group 2	0.4477	0.5733	1.0210	1.0820
<b>Z Income units</b>				
Group 1	0.8804	–	0.8804	1.0148
Group 2	0.3436	0.5368	0.8804	1.0148
<b>Z Accumulation units</b>				
Group 1	1.0268	–	1.0268	1.1042
Group 2	0.3872	0.6396	1.0268	1.1042

## Corporate unitholders

Corporate unitholders receive the dividend distribution payment as detailed below:

13.94%	of the total distribution together with the tax credit is received as franked investment income.
73.28%	of the distribution is deemed to be an annual payment (non-foreign element) received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.
12.78%	of the distribution is deemed to be an annual payment (foreign payment) received after deduction of income tax at the lower rate and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

# Distribution Table (continued)

Interim distribution  
for the three  
months ended  
31 October 2013

**Group 1** Units purchased prior to 1 August 2013

**Group 2** Units purchased on or after 1 August 2013

	Net revenue 2013 p per unit	Equalisation 2013 p per unit	Distribution payable 31.12.13 p per unit	Distribution paid 31.12.12 p per unit
<b>A Income units</b>				
Group 1	1.0097	–	1.0097	0.8305
Group 2	0.2447	0.7650	1.0097	0.8305
<b>A Accumulation units</b>				
Group 1	1.1827	–	1.1827	0.9206
Group 2	0.5167	0.6660	1.1827	0.9206
<b>Z Income units</b>				
Group 1	1.0233	–	1.0233	0.8384
Group 2	0.4270	0.5963	1.0233	0.8384
<b>Z Accumulation units</b>				
Group 1	1.1977	–	1.1977	0.9312
Group 2	0.4381	0.7596	1.1977	0.9312

## Corporate unitholders

Corporate unitholders receive the dividend distribution payment as detailed below:

8.27%	of the total distribution together with the tax credit is received as franked investment income.
75.89%	of the distribution is deemed to be an annual payment (non-foreign element) received after deduction of income tax at the lower rate and is liable to corporation tax. It is not franked investment income.
15.84%	of the distribution is deemed to be an annual payment (foreign payment) received after deduction of income tax at the lower rate and is liable to corporation tax. The associated deemed tax is treated as foreign tax in the hands of the investor, who may be able to claim double tax relief. Investors cannot reclaim any of this deemed tax on the foreign element from HM Revenue & Customs.

## 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

## Sub-Investment Adviser

Ell Capital Management Inc.  
640 Fifth Avenue, 8th Floor,  
New York  
NY 10019  
USA  
Registered with the Securities and Exchange  
Commission of the United States of America

## Trustee

J.P. Morgan Trustee and  
Depositary Company Limited  
Chaseside  
Bournemouth BH7 7DA  
Authorised and regulated by  
the Financial Conduct Authority

## Registrar<sup>1</sup>

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

<sup>1</sup> 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

With effect from 1 October 2013 the minimum initial investment for Z Income units and Z Accumulation units decreased from £3 million to £1 million.

The 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](http://www.schroders.co.uk).



For further literature please contact Schroder Investor Services on 0800 718 777 or at [investorservices@schroders.com](mailto:investorservices@schroders.com), or visit our website at [www.schroders.co.uk](http://www.schroders.co.uk).



# Schroders

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