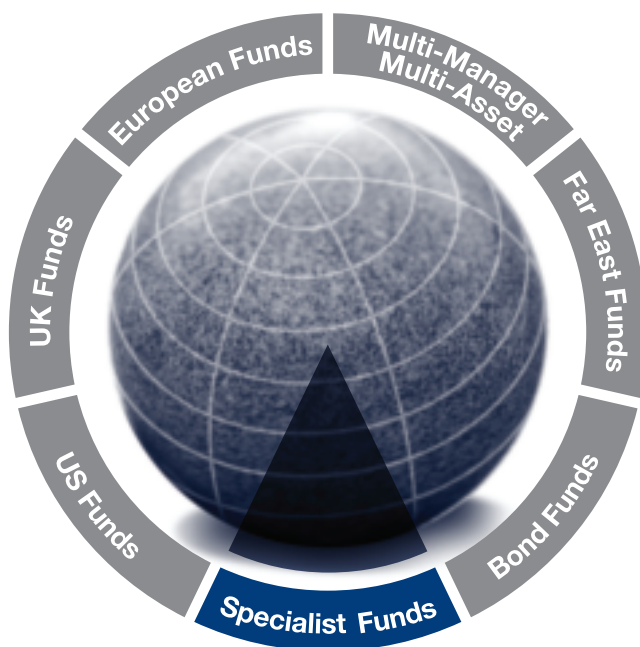


Schroder

Managed Balanced Fund

Interim Short Report

24 February 2013 to 23 August 2013



Schroders

Schroder Managed Balanced Fund

Review of Investment Activities

From 22 February 2013 to 23 August 2013 the price of I Accumulation units on a dealing price to dealing price basis rose 4.02%. In comparison, the Investment Management Association Mixed Investment 40-85% Shares Sector Average generated a total return of 3.28%¹.

¹ Source: Lipper Investment Management.

Markets experienced some volatility over the period under review. European politics continued to be a source of concern due to an inconclusive outcome to the Italian general elections and crisis in the Cypriot banking sector. More importantly, in June chairman Ben Bernanke indicated that the US Federal Reserve would taper its programme of asset purchases prompting a sell off in bond markets which then impacted all assets, particularly emerging market debt. Ultimately this proved to be a buying opportunity for equities, however, as evidence of a gradual recovery in the global economy calmed investors' nerves. Indeed, radical economic policies in Japan and improvements in European Purchasing Managers' Indices served to bolster confidence.

The fund outperformed the sector average return, and remains ahead over the longer term. We had increased exposure to equities over the period, and this was positive. The best relative performance came from some of our UK equity underlying fund holdings.

Looking ahead, sustained economic expansion in the US and a resumption of growth in Europe should provide a supportive environment for equities. However, long term borrowing costs have risen. This is somewhat of a threat to growth but more of a concern for the emerging market world, where a period of strong capital flows has gone into reverse. They currently face an unattractive combination of slowing growth and tightening monetary conditions.



Fund Manager:
Johanna Kyrklund

Fund Information

	Interim	Final
Accounting dates	23 August	23 February
Revenue allocation date		23 April

	For the period to 23.8.13	For the year to 23.2.13
Ongoing charges figure		
A Accumulation units	1.70% ¹	1.72%
H Income units	0.93% ¹	0.93%
H Accumulation units	0.93% ¹	0.93%
I Income units	0.63% ¹	0.63%
I Accumulation units	0.63% ¹	0.63%

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

Performance Record

	Net Asset Value as at 23.8.13 pence per unit	Net Asset Value as at 23.2.13 pence per unit	Net Asset Value % change
Fund performance			
A Accumulation units	139.87	135.01	3.60
H Income units	63.81	61.40	3.93
H Accumulation units	69.97	67.33	3.92
I Income units	460.15	442.25	4.05
I Accumulation units	738.50	709.76	4.05

	3 months	6 months	5 years
Schroder Managed Balanced Fund	(2.13)%	4.02%	49.03%
Investment Management Association Mixed Investment 40-85% Shares Sector Average	(2.75)%	3.28%	33.35%

Fund Source: I Accumulation units on a dealing price to dealing price basis to 23.8.13.

Index Source: Lipper Investment Management, total return to 23.8.13.

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

Performance Record (continued)

Unit price range	A Accumulation units		H Income units		H Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
Year to 31 December						
2008	110.50	72.39	52.88	34.51	53.22	35.09
2009	108.80	71.81	51.48	33.74	53.23	34.89
2010	120.00	104.70	55.98	48.71	58.99	51.34
2011	123.10	106.00	57.04	49.00	60.72	52.35
2012	127.10	113.30	58.53	52.08	63.34	56.09
2013 to 23 August	144.80	127.80	65.97	58.85	72.33	63.69

	I Income units		I Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
Year to 31 December				
2008	382.60	248.70	554.80	366.00
2009	370.40	243.00	556.40	364.20
2010	404.20	351.30	618.60	536.80
2011	412.00	353.50	637.80	550.20
2012	422.20	375.30	667.40	589.70
2013 to 23 August	475.40	424.60	762.90	671.20

Net revenue	A Accumulation units		H Income units		H Accumulation units	
	pence per unit		pence per unit		pence per unit	
Year to 31 December						
2008		0.5600		0.5027		0.7070
2009		0.6086		0.6291		0.6325
2010		1.2082		0.9799		0.9388
2011		0.9181		0.7639		0.8241
2012		0.7826		0.7231		0.7696
2013 to 23 August		0.9735		0.8081		0.8747

	H Income units		H Accumulation units	
	pence per unit		pence per unit	
Year to 31 December				
2008		5.1532		7.6392
2009		5.2831		7.8076
2010		6.8056		11.3216
2011		6.8161		10.3812
2012		6.1406		9.5580
2013 to 23 August		6.7955		10.7425

Portfolio Information

	% of net assets as at 23.8.13	% of net assets as at 23.2.13
Spread of investments		
Asia Pacific ex Japan Equity Funds	4.78	5.75
Emerging Markets Equity Funds	1.45	1.75
European Equity Funds	12.96	11.52
Global Equity Funds	12.29	12.41
Japanese Equity Funds	4.19	3.39
UK Equity Funds	32.02	30.12
US Equity Funds	8.21	8.05
Global Fixed Interest Funds	4.96	6.82
UK Fixed Interest Funds	7.41	10.72
Australian Dollar Denominated Derivatives	(0.09)	0.00
Euro Denominated Derivatives	0.02	(0.02)
Japanese Yen Denominated Derivatives	(0.07)	0.00
US Dollar Denominated Derivatives	0.07	(0.23)
Net other assets	11.80	9.72

	% of net assets as at 23.8.13		% of net assets as at 23.2.13
Major holdings			
Schroder European Alpha Plus Fund A Income Units	12.96	Schroder UK Equity Fund A Income Units	11.99
Schroder UK Equity Fund A Income Units	12.05	Schroder European Alpha Plus Fund A Income Units	11.52
Schroder UK Alpha Plus Fund A Income Units	10.04	Schroder All Maturities Corporate Bond Fund I Accumulation Units	10.27
Schroder Income Fund A Income Units	9.93	Schroder UK Alpha Plus Fund A Income Units	9.75
Schroder QEP US Core Fund I Accumulation Units	8.21	Schroder Income Fund A Income Units	8.38
Schroder International Selection Fund Global High Yield I Accumulation USD	4.96	Schroder QEP US Core Fund I Accumulation Units	8.05
Schroder All Maturities Corporate Bond Fund I Accumulation Units	4.94	Schroder International Selection Fund Global High Yield I Accumulation USD	6.82
Schroder Asian Alpha Plus Fund A Accumulation Units	4.78	Schroder Asian Alpha Plus Fund A Accumulation Units	5.75
Schroder Tokyo Fund A Accumulation Units	4.19	Schroder International Selection Fund QEP Global Quality I Accumulation USD	3.69
Schroder International Selection Fund QEP Global Active Value I Accumulation USD	4.18	Schroder International Selection Fund QEP Global Active Value I Accumulation USD	3.68

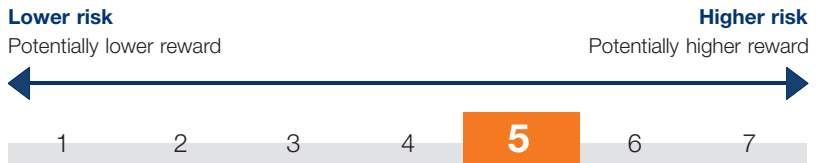
Investment Objective & Policy

The fund's investment objective is to give a balanced exposure to UK and overseas equities and fixed income securities through a range of underlying authorised unit trusts, recognised schemes and collective investment schemes.

The proportionate percentage to be invested in each underlying scheme will be decided by the investment adviser in light of current economic and other circumstances and may include a proportion in cash. Efficient portfolio management techniques will be utilised when considered appropriate.

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

The fund invests in assets which are exposed to currencies other than sterling. Exchange rates may cause the value of overseas investments and the revenue from them to rise or fall.

For these reasons, the purchase of units should not normally be regarded as a short term investment.

Report & Accounts

This document is a short report for the Schroder Managed Balanced Fund for the period ended 23 August 2013. The long form Report & Accounts for the fund are available on our website www.schroders.co.uk or upon written request to Schroders, FREEPOST, RLTZ-CHSY-HBUT, PO Box 1102, Chelmsford, Essex CM99 2XX.

Other information

The information contained in this report is designed to enable unitholders to make an informed judgement on the activities of the fund during the period it covers and the results of those activities at the end of the period. For more information about the activities and performance of the fund during this and previous periods, please contact the Manager.

The Prospectus, the Key Investor Information Document and details of investment charges and costs are available on request or can be downloaded from our website **www.schroders.co.uk**.

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

Please remember that past performance is not a guide to future performance and it might not be repeated. The value of investments and the revenue from them may go down as well as up and investors may not get back the amount originally invested. Because of this, you are not certain to make a profit on your investments and you may lose money.

For investors' security, calls to Schroder Investor Services may be recorded. **Manager:** Schroder Unit Trusts Limited, 31 Gresham Street, London, EC2V 7QA. Authorised and regulated by the Financial Conduct Authority. **Trustee:** J.P. Morgan Trustee and Depositary Company Limited, Chaseside, Bournemouth, BH7 7DA. Authorised and regulated by the Financial Conduct Authority. **Independent Auditors:** PricewaterhouseCoopers LLP, Erskine House, 68-73 Queen Street, Edinburgh EH2 4NH.

For further literature please contact Schroder Investor Services on 0800 718 777 or at investorservices@schroders.com, or visit our website at www.schroders.co.uk.



