

**Schroder**

# **QEP Global Core Fund**

---

## **Interim Short Report**

16 October 2012 to 15 April 2013



**Schroders**

# Schroder QEP Global Core Fund

## Review of Investment Activities

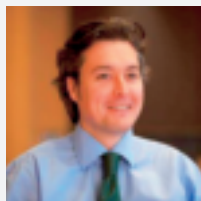
**From 15 October 2012 to 15 April 2013 the price of X Accumulation units on a dealing price to dealing price basis rose 16.54%. In comparison, the MCSI World Index generated a net return of 15.43%<sup>1</sup>.**

**<sup>1</sup> Source: Thomson Reuters Datastream.**

During the period, the pending US fiscal cliff dominated discussion, but early fears subsided following a last minute agreement. Equity markets staged a bullish start to 2013 as investors' reallocation from bonds into stocks gained traction. The aversion of a US fiscal cliff, coupled with growing optimism for the global economy, resulted in improved risk appetite in January. However, uncertainty surrounding the outcome of the Italian elections and the near implosion of the Cypriot banking sector subsequently weighed on sentiment, paring equity market gains and supporting demand for perceived safe havens.

The fund outperformed the index over the period. At a sector level, relative gains were strongest among holdings in health care (pharmaceuticals and health care providers) and financials (banks). Detractors included information technology holdings and stocks in the more economically sensitive sectors such as industrials and materials. On a regional basis, stock selection in the UK contributed to fund performance. Stock selection in Japan detracted from relative gains.

Our largest overweight remains health care and we continue to be underweight utilities, particularly US. We do find more attractive stocks within the sector outside of the US. Within resources, we remain overweight integrated oil stocks, especially in Europe where they look particularly cheap and remain one of the few areas of high dividend yields. Another area that we continue to find particularly attractive is the UK which offers significant opportunities given the combination of both good value and high quality stocks.



**Fund Manager:**  
**Justin Abercrombie**

# Fund Information

	Interim	Final
Accounting dates	15 April	15 October
Revenue allocation date		15 December

Ongoing charges figure	For the period to 15.4.13	For the year to 15.10.12
A Income units <sup>3</sup>	0.40% <sup>1</sup>	0.40%
A Accumulation units <sup>3</sup>	0.40% <sup>1</sup>	0.40%
I Income units	0.38% <sup>1</sup>	0.39%
I Accumulation units	0.38% <sup>1</sup>	0.39%
X Accumulation units <sup>2</sup>	0.03% <sup>1</sup>	0.04%

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

2 The annual management charge for X Accumulation units is invoiced directly to unitholders and is therefore not included in the Ongoing charges figure for that unit class.

3 It has been agreed that certain expenses may be borne by the Manager to ensure that the Ongoing charges figure does not exceed 0.40%.

## Performance Record

Fund performance	Net Asset Value as at 15.4.13 pence per unit	Net Asset Value as at 15.10.12 pence per unit	Net Asset Value % change
A Income units	61.70	53.42	15.50
A Accumulation units	64.58	55.90	15.53
I Income units	191.73	165.96	15.53
I Accumulation units	258.16	223.45	15.53
X Accumulation units	73.94	63.89	15.73

	3 months	6 months	5 years
Schroder QEP Global Core Fund	9.95%	16.54%	55.43%
MSCI World Index	9.40%	15.43%	40.85%

Fund Source: X Accumulation units on a dealing price to dealing price basis to 15.4.13.

Index Source: Thomson Reuters Datastream, net return in sterling terms to 15.4.13.

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

## Performance Record (continued)

Unit price range	A Income units		A Accumulation units		I Income units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
Year to 31 December						
2008	–	–	–	–	153.60	101.80
2009	–	–	–	–	147.50	96.95
2010	53.99	49.93	53.99	49.93	167.90	139.40
2011	56.23	45.55	56.24	45.56	174.90	141.70
2012	55.41	49.46	57.02	50.58	172.20	153.70
2013 to 15 April	63.37	54.84	66.32	57.39	196.90	170.40

	I Accumulation units		X Accumulation units	
Year to 31 December	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
2008	184.50	125.50	52.07	35.48
2009	185.90	119.50	52.68	33.80
2010	215.70	175.70	61.35	49.90
2011	224.70	182.00	63.99	51.86
2012	227.90	202.20	65.22	57.74
2013 to 15 April	265.10	229.40	75.91	65.65

Net revenue	A Income units	A Accumulation units	I Income units
Year to 31 December	pence per unit	pence per unit	pence per unit
2008	–	–	3.0881
2009	–	–	2.9566
2010	Nil	Nil	3.1847
2011	1.0953	1.0953	3.6294
2012	1.2487	1.2739	3.9164
2013 to 15 April	Nil	Nil	Nil

	I Accumulation units	X Accumulation units
Year to 31 December	pence per unit	pence per unit
2008	3.7520	1.1860
2009	3.6601	1.1485
2010	4.0001	1.2993
2011	4.6594	1.5152
2012	5.1449	1.6636
2013 to 15 April	Nil	Nil

# Portfolio Information

Spread of investments	% of net assets as at 15.4.13	% of net assets as at 15.10.12		% of net assets as at 15.4.13	% of net assets as at 15.10.12
South Africa	0.16	0.16	Malta	0.03	0.01
China	0.09	0.11	Netherlands	1.00	1.11
Hong Kong	0.89	0.81	Norway	0.64	0.85
Indonesia	0.10	0.02	Poland	0.13	0.09
Japan	9.47	7.98	Portugal	0.04	0.01
Kazakhstan	0.05	0.03	Russia	0.19	0.05
Malaysia	0.05	0.03	Spain	1.31	1.10
Singapore	0.61	0.62	Sweden	1.25	1.13
South Korea	0.26	0.29	Switzerland	3.45	3.13
Taiwan	0.18	0.17	Turkey	0.10	0.08
Thailand	0.06	0.04	United Kingdom	10.79	11.16
Australia	3.14	3.33	Israel	0.50	0.42
New Zealand	0.00	0.06	Canada	2.97	3.50
Austria	0.28	0.29	Mexico	0.06	0.03
Belgium	0.56	0.30	United States	50.66	50.75
Cyprus	0.06	0.06	Brazil	0.06	0.06
Czech Republic	0.01	0.04	Puerto Rico	0.06	0.04
Denmark	0.10	0.38	Bermuda	1.12	0.98
Finland	0.47	0.36	Cayman Islands	0.48	0.23
France	2.72	2.78	Curaçao	0.18	0.27
Germany	2.55	2.78	Marshall Islands	0.02	0.00
Gibraltar	0.02	0.00	Japanese Yen Denominated Derivatives	0.03	0.00
Greece	0.02	0.00	US Dollar Denominated Derivatives	(0.03)	0.01
Ireland	0.76	0.62	Net other assets	0.52	1.94
Isle of Man	0.03	0.02			
Italy	1.12	1.27			
Jersey	0.44	0.37			
Luxembourg	0.24	0.13			

## Portfolio Information (continued)

	% of net assets as at 15.4.13		% of net assets as at 15.10.12
<b>Major holdings</b>			
Exxon Mobil	1.58	Apple	2.37
Apple	1.56	Exxon Mobil	1.77
Pfizer	1.03	Microsoft	1.01
Johnson & Johnson	0.99	Chevron	0.99
Chevron	0.95	International Business Machines	0.96
Microsoft	0.92	Pfizer	0.87
International Business Machines	0.91	Johnson & Johnson	0.82
Roche Holdings Genusscheine	0.88	General Electric	0.78
JP Morgan Chase	0.80	HSBC Holdings (GBP)	0.76
Novartis	0.80	Wells Fargo	0.76

## Investment Objective & Policy

The fund's investment objective is to achieve the optimum overall return of capital and income in sterling terms through flexible global investment management.

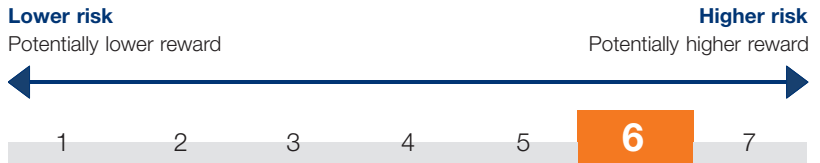
The fund will invest internationally in equities quoted on recognised stock exchanges.

The fund may also invest in a wide range of investments including transferable securities, collective investment schemes, warrants and money market instruments.



# 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 less developed markets which are generally less well regulated than the UK. They may be less liquid and may have less reliable custody arrangements.

The fund invests in emerging markets and the Far East. This involves a high degree of risk and should be seen as long term in nature.

The fund invests in smaller companies which may be less liquid than larger companies and price swings may therefore be greater than in larger company funds.

The fund uses derivatives. This involves a higher degree of risk and may lead to a higher volatility in the unit prices of the fund.

The fund entered into stock lending arrangements. There was a risk that the borrower may have become insolvent or refused to honour its obligations to return the securities causing a delay to the fund in recovering its securities and possibly incurring a loss. Although the fund is permitted to stock lend it is not the intention to do so in the future.

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 QEP Global Core Fund for the period ended 15 April 2013. The long form Report & Accounts for the fund are available on our website [www.schroders.co.uk](http://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.

**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](mailto:investorservices@schroders.com), or visit our website at [www.schroders.co.uk](http://www.schroders.co.uk).**

