

**Schroder**

# Global Emerging Markets Fund

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## Interim Short Report

1 April 2012 to 30 September 2012



**Schroders**

# Schroder Global Emerging Markets Fund

## Review of Investment Activities

**From 30 March 2012 to 28 September 2012 the price of A Accumulation units on a selling price to selling price basis fell 1.26%. In comparison, the Morgan Stanley Capital International (MSCI) Emerging Markets Index generated a negative net return of 2.87%<sup>1</sup>.**

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

Global equity markets rose over the period supported by an easing of electoral uncertainty in Greece and positive policy action in the eurozone and the US toward the end of the period. The MSCI Emerging Markets index underperformed the MSCI World index.

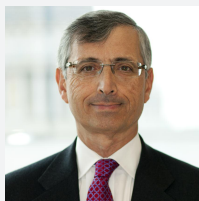
The fund outperformed the index. Both country allocation and stock selection added to returns. At the country level, our overweight to Thailand, which outperformed, and underweight to Chile which underperformed, added to returns as did our cash position. This was slightly offset by the underweight positions in Mexico and India, both of which outperformed. Stock selection was positive in Brazil, South Korea, Taiwan, Russia, South Africa and Indonesia.

The most significant changes made to our country positioning versus the index over the period were as follows: we moved Indonesia from a neutral to underweight position, and Colombia and Hungary from underweight to neutral. We increased the overweight position in Turkey and reduced the overweight positions to China and Russia. We also reduced the underweight positions in India and Mexico.

The outlook for emerging markets in isolation is positive, owing to a combination of robust fundamentals and attractive valuations. However, we remain cautiously positioned at the margin owing to the problems facing the developed world.



**Co-Fund  
Manager:**  
**Robert  
Davy**



**Co-Fund  
Manager:**  
**Allan  
Conway**

## Fund Information

	Interim	Final
Accounting dates	30 September	31 March
Revenue allocation date		31 May
<b>Ongoing charges figure</b>	For the period to 30.9.12	For the year to 31.3.12
A Income units	1.72% <sup>1</sup>	1.74%
A Accumulation units	1.72% <sup>1</sup>	1.74%
Z Income units	0.97% <sup>1</sup>	1.00% <sup>1</sup>
Z Accumulation units	0.97% <sup>1</sup>	0.95% <sup>1</sup>

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

## Performance Record

<b>Fund performance</b>	Net Asset Value as at 30.9.12 pence per unit	Net Asset Value as at 31.3.12 pence per unit	Net Asset Value % change
A Income units	126.01	127.52	(1.18)
A Accumulation units	133.25	134.85	(1.19)
Z Income units	52.97	53.47	(0.94)
Z Accumulation units	52.97	53.45	(0.90)

	3 months	6 months	5 years
<b>Schroder Global Emerging Markets Fund</b>	4.74%	(1.26)%	15.19%
Morgan Stanley Capital International Emerging Markets Index	4.65%	(2.87)%	18.28%

Fund Source: A Accumulation units on a selling price to selling price basis to 28.9.12.

Index Source: Thomson Reuters Datastream, net return in sterling terms to 28.9.12.

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)

<b>Distribution</b>	A Income units	A Accumulation units
Year to 31 December	pence per unit	pence per unit
2007	0.3956	0.4068
2008	0.0624	0.0645
2009	0.7993	0.8261
2010	0.2942	0.3084
2011	0.5670	0.5959
2012 to 30 September	0.8514	0.8850

	Z Income units	Z Accumulation units
Year to 31 December	pence per unit	pence per unit
2007	–	–
2008	–	–
2009	–	–
2010	–	–
2011	Nil	Nil
2012 to 30 September	Nil <sup>1</sup>	Nil <sup>1</sup>

<sup>1</sup> There was no distribution for Z Income units and Z Accumulation units as the total amounts distributable were below the de minimis.

<b>Unit price range</b>	<b>A Income units</b>		<b>A Accumulation units</b>	
Year to 31 December	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
2007	129.30	81.29	133.50	83.58
2008	128.60	57.55	132.90	59.48
2009	129.50	68.55	135.20	70.85
2010	149.10	111.80	156.10	116.80
2011	151.70	104.70	158.80	110.00
2012 to 30 September	139.90	114.70	146.90	121.40

	<b>Z Income units</b>		<b>Z Accumulation units</b>	
Year to 31 December	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
2007	–	–	–	–
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	50.49	46.22	50.49	46.22
2012 to 30 September	55.65	48.11	55.65	48.10

## Portfolio Information

	% of net assets as at 30.9.12	% of net assets as at 31.3.12
<b>Spread of investments</b>		
China/Hong Kong	15.19	16.68
India	4.79	3.49
Indonesia	1.55	2.80
Malaysia	3.68	3.29
Philippines	1.03	0.75
South Korea	18.45	17.70
Taiwan	7.13	7.68
Thailand	5.70	5.50
Bermuda	0.40	0.36
British Virgin Islands	0.45	0.35
Cayman Islands	4.72	4.05
Cyprus	0.41	0.34
Egypt	1.10	0.78
Hungary	0.31	0.04
Jersey	0.43	0.43
Poland	0.27	0.23
Qatar	0.54	0.64
Russia	7.37	9.05
South Africa	3.69	3.60
Turkey	3.14	1.90
Brazil	12.94	14.66
Colombia	1.19	0.53
Mexico	3.48	2.07
Peru	0.00	0.29
United States of America	0.26	0.00
Net other assets	1.78	2.79

## Portfolio Information (continued)

Major holdings	% of net assets as at 30.9.12		% of net assets as at 31.3.12
Samsung Electronics	6.22	Samsung Electronics	6.02
Hyundai Motor	2.48	China Mobile	3.27
Taiwan Semiconductor Manufacturing	2.43	Gazprom ADR	3.23
CNOOC	2.30	Hyundai Motor	3.09
Lukoil ADR	2.30	Taiwan Semiconductor Manufacturing	2.52
China Mobile	2.17	CNOOC	2.18
China Construction Bank H	1.99	China Construction Bank H	2.15
Tencent Holdings	1.99	Lukoil ADR	2.03
Gazprom ADR	1.92	Industrial & Commercial Bank of China H	1.98
LG Chem	1.84	Hon Hai Precision Industry	1.72

## Investment Objective & Policy

The fund's investment objective is to achieve long term capital growth by investing in the emerging markets of the world.

The fund will invest in equity or equity related securities (including warrants and convertible securities) and fixed interest securities which provide exposure to emerging markets.

The portfolio may also include shares in investment trusts and other closed end funds which are themselves dedicated to investment in emerging markets, as well as in securities of companies which, whilst listed on eligible stock exchanges, conduct a significant proportion of their business in emerging market countries and may, therefore, be expected to participate in their growth.

Investment will be in directly held transferable securities. The fund may also invest in 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 may stock lend. There is a risk that the borrower might become insolvent or refuse to honour its obligations to return the securities causing a delay to the fund in recovering its securities and possibly incurring a loss.

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 Global Emerging Markets Fund for the period ended 30 September 2012. 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.

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## 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 and the Key Investor Information Document are available on request or can be downloaded from our website, [www.schroders.co.uk](http://www.schroders.co.uk).

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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 Services Authority. **Trustee:** J.P. Morgan Trustee and Depositary Company Limited, Chaseside, Bournemouth, BH7 7DA. Authorised and regulated by the Financial Services 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).**

