

Schroder Tokyo Fund

Interim Short Report

29 February 2012 to 31 August 2012



Schroders

Schroder Tokyo Fund

Review of Investment Activities

From 28 February 2012 to 31 August 2012, the price of A Accumulation units on a selling price to selling price basis fell 9.02%. In comparison, the Tokyo Stock Exchange First Section Index generated a negative total return of 9.42%¹ in sterling terms.

1 Source: Thomson Reuters Datastream.

Japanese share prices fell over the period under review. Investor confidence was damaged by the European sovereign debt crisis and worries about Japanese economic momentum peaking out. Towards the end of the period the market recovered somewhat as hopes of policy action in Europe began to surface.

The fund's return was slightly ahead of the market. Our small cap holdings in the chemicals sector contributed strongly to performance. This was followed closely by our underweight position in the electrical appliance sector, in particular, not holding Sony and Canon whose share prices declined sharply following downward revisions to profits forecasts. Holdings in defensive sectors such as telecommunications and railways were also positive.

There were no significant changes to our strategy over the period. While we acknowledge that market volatility may continue, we see support for the Japanese market over the longer term and consider the market oversold at current levels. We are adding slowly to economically sensitive companies as these have borne the brunt of selling and are attractively valued.



Fund Manager:
Andrew Rose

Fund Information

	Interim	Final
Accounting dates	31 August	28 February
Revenue allocation date		30 April

	For the period to 31.8.12	For the year to 28.2.12
Ongoing charges figure		
A Income units	1.67% ¹	1.68%
A Accumulation units	1.67% ¹	1.68%
Z Income units	0.92% ¹	0.93% ¹
Z Accumulation units	0.92% ¹	0.93% ¹

To comply with the requirements of the UCITS IV Directive the Total expense ratio has been replaced with an Ongoing charges figure. The comparative figures have been restated in line with the new requirement.

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

Performance Record

	Net Asset Value as at 31.8.12 pence per unit	Net Asset Value as at 28.2.12 pence per unit	Net Asset Value % change
Fund performance			
A Income units	167.18	182.18	(8.23)
A Accumulation units	171.64	187.05	(8.24)
Z Income units	49.89	54.16	(7.88)
Z Accumulation units	50.18	54.46	(7.86)

	3 months	6 months	5 years
Schroder Tokyo Fund	0.59%	(9.02)%	8.00%
Tokyo Stock Exchange First Section Index	(1.14)%	(9.42)%	(5.47)%

Fund Source: A Accumulation units on a selling price to selling price basis to 31.8.12.

Index Source: Thomson Reuters Datastream, total return in sterling terms to 31.8.12.

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)

Distribution

Year to 31 December	A Income units pence per unit	A Accumulation units pence per unit
2007	Nil	Nil
2008	Nil	Nil
2009	0.8450	0.8535
2010	0.1300	0.1346
2011	0.6293	0.6409
2012 to 31 August	1.0737	1.0987

Year to 31 December	Z Income units pence per unit	Z Accumulation units pence per unit
2007	–	–
2008	–	–
2009	–	–
2010	–	–
2011	Nil	Nil
2012 to 31 August	0.2978	0.2978

Unit price range

Year to 31 December	A Income units		A Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
2007	185.60	147.20	187.50	148.70
2008	171.90	118.50	173.70	119.70
2009	169.90	123.10	172.70	125.20
2010	194.00	150.00	197.20	152.60
2011	196.90	151.20	200.30	154.30
2012 to 31 August	195.20	163.50	199.30	167.80

Year to 31 December	Z Income units		Z Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
2007	–	–	–	–
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	53.95	46.66	53.95	46.67
2012 to 31 August	55.15	48.66	55.17	48.94

Portfolio Information

	% of net assets as at 31.8.12	% of net assets as at 28.2.12
Spread of investments		
Oil & Gas	1.73	1.96
Basic Materials	8.90	8.86
Industrials	22.40	24.39
Consumer Goods	14.34	15.41
Health Care	4.39	3.86
Consumer Services	17.78	14.79
Telecommunications	4.75	4.25
Utilities	0.43	0.43
Financials	14.21	17.08
Technology	6.21	6.27
Net other assets	4.86	2.70

	% of net assets as at 31.8.12		% of net assets as at 28.2.12
Major holdings			
Toyota Motor	4.55	Toyota Motor	4.83
Mitsui & Co	3.64	Mitsui & Co	4.07
East Japan Railway	3.29	SK Kaken	2.81
SK Kaken	2.89	East Japan Railway	2.75
Bridgestone	2.74	Bridgestone	2.72
KDDI	2.56	Sumitomo Mitsui Financial Group	2.69
Sumitomo Mitsui Financial Group	2.52	Hi-Lex	2.61
Seven & I Holdings	2.44	KDDI	2.27
Hi-Lex	2.37	NKSJ Holdings	2.16
Nippon Telegraph & Telephone	2.19	Seven & I Holdings	2.13



Investment Objective & Policy

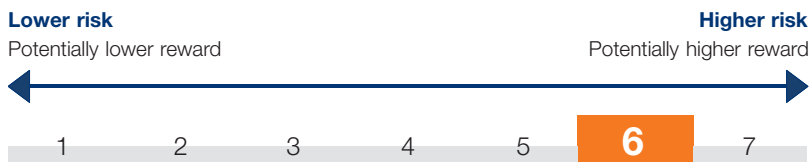
The fund's investment objective is to achieve capital appreciation through participation in the growth of the Japanese economy.

Investment will be based primarily on Japan's economic strengths, such as its manufacturing industry (in particular on those parts of it that are demonstrating an ability to exploit newly emerging technology) and on sectors benefiting from structural change in the economy.

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 solely in the securities of a particular country. There may be a greater risk than investing in funds that hold securities in a range of countries.

The fund stock lends. 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.

Report & Accounts

This document is a short report for the Schroder Tokyo Fund for the period ended 31 August 2012. 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 and the Key Investor Information Document are available on request or can be downloaded from our website, 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 Investment Services on 0800 718 777 or at investorservices@schroders.com, or visit our website at www.schroders.co.uk.



