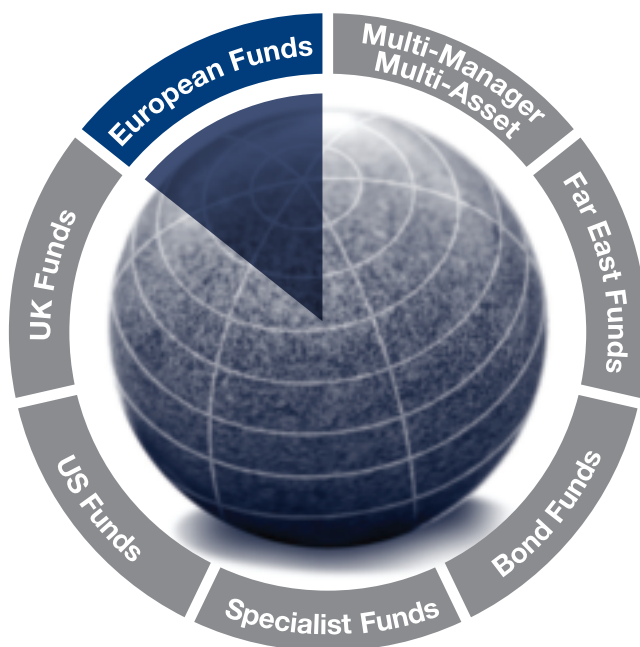


Schroder

European Alpha Plus Fund

Interim Short Report

16 March 2013 to 15 September 2013



Schroders

Schroder European Alpha Plus Fund

Review of Investment Activities

From 15 March 2013 to 13 September 2013 the price of A Accumulation units on a selling price to selling price basis fell 0.14%. In comparison, the FTSE World Europe ex UK Index generated a total return of 2.86%¹ in sterling terms.

From launch on 1 July 2013 to 13 September 2013, the price of GBP Hedged A Accumulation units on a selling price to selling price basis rose 4.62%. In comparison, A Accumulation units on a selling price to selling price basis rose 2.67% and the FTSE World Europe ex UK Index generated a total return of 5.51%¹ in sterling terms over the same period.

1 Source: Thomson Reuters Datastream.

European equities gained during the period, helped by better economic data from the eurozone. The single currency bloc exited recession in the second quarter, with growth of 0.3%. Forward looking indicators such as Purchase Manager Index surveys pointed to a faster pace of recovery. The European Central Bank reduced interest rates in May to 0.5%.

The fund posted a marginally negative return and underperformed the index over the period. The consumer goods and technology sectors were the main detractors from fund returns, while telecommunications was the main contributor. German software firm SAP was the biggest single detractor from fund performance, with the shares under pressure amid fears its core licence business may slow. Swiss chemicals group Syngenta was also among the main detractors due to investor concerns over the ban on EU neonicotinoid pesticides and softer corn prices; we see these issues as surmountable. In the defensive food & beverage subsector, Unilever and Pernod Ricard detracted from performance but our relative underweight exposure to Nestle proved beneficial. Banking stocks UBS and BNP Paribas were among the top contributors, helped by some solid earnings and a more favourable environment for European financials.

We continue to avoid the capital intensive utilities sector and also retain a zero weighting to the oil & gas sector. We maintain our overweight positions in the basic materials, health care and industrials sectors. Elsewhere, we have slightly reduced our underweight allocation to financials as this was in danger of exerting too much influence on overall fund performance. We continue to concentrate the portfolio on our high conviction ideas, backing our best ideas with bigger stakes.



Fund Manager:
Leon Howard-Spink

Fund Information

	Interim	Final
Accounting dates	15 September	15 March
Revenue allocation date		15 May

Ongoing charges figure	For the period to 15.9.13	For the year to 15.3.13
A Income units	1.68% ¹	1.71%
A Accumulation units	1.68% ¹	1.70%
GBP Hedged A Income units	1.68% ¹	–
GBP Hedged A Accumulation units	1.68% ¹	–
GBP Hedged Z Income units	0.93% ¹	–
GBP Hedged Z Accumulation units	0.93% ¹	–
Z Income units	0.93% ¹	0.96%
Z Accumulation units	0.93% ¹	0.96%

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

Performance Record

Fund performance	Net Asset Value as at 15.9.13 pence per unit	Net Asset Value as at 15.3.13 pence per unit	Net Asset Value % change
A Income units	129.14	130.29	(0.88)
A Accumulation units	138.05	139.27	(0.88)
GBP Hedged A Income units	52.16	–	–
GBP Hedged A Accumulation units	52.16	–	–
GBP Hedged Z Income units	52.24	–	–
GBP Hedged Z Accumulation units	52.28	–	–
Z Income units	63.55	63.88	(0.52)
Z Accumulation units	64.24	64.56	(0.50)

	3 months	6 months	5 years
Schroder European Alpha Plus Fund	2.06%	(0.14)%	46.64%
FTSE World Europe ex UK Index	4.84%	2.86%	38.92%

Fund Source: A Accumulation units on a selling price to selling price basis to 13.9.13.

Index Source: Thomson Reuters Datastream, total return in sterling terms to 13.9.13.

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.

The performance of a hedged unit class may differ from other unit classes of the fund because the return on unhedged unit classes is based on both the performance of the fund's investments and the performance of the portfolio currencies relative to sterling whereas the return on a hedged unit class is based only on the performance of the fund's investments.

Performance Record (continued)

Unit price range	A Income units		A Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
Year to 31 December				
2008	117.20	69.51	119.90	71.13
2009	108.90	68.38	113.60	69.97
2010	118.20	89.99	124.10	94.61
2011	127.60	88.19	134.90	93.25
2012	119.90	94.13	127.70	100.30
2013 to 15 September	136.10	115.90	145.50	123.50

	GBP Hedged A Income units		GBP Hedged A Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
Year to 31 December				
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	–	–	–	–
2012	–	–	–	–
2013 to 15 September	53.41	49.23	53.41	49.23

	GBP Hedged Z Income units		GBP Hedged Z Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
Year to 31 December				
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	–	–	–	–
2012	–	–	–	–
2013 to 15 September	53.46	49.23	53.46	49.23

	Z Income units		Z Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
Year to 31 December				
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	–	–	–	–
2012	57.27	46.22	57.26	46.22
2013 to 15 September	66.92	57.16	67.64	57.14

Performance Record (continued)

Net revenue Year to 31 December	A Income units pence per unit	A Accumulation units pence per unit
2008	0.5296	0.5391
2009	1.3756	1.4076
2010	0.7919	0.8235
2011	0.7527	0.7891
2012	0.8237	0.8718
2013 to 15 September	0.4160	0.4448

Year to 31 December	Z Income units pence per unit	Z Accumulation units pence per unit
2008	–	–
2009	–	–
2010	–	–
2011	–	–
2012	Nil ¹	0.0814
2013 to 15 September	0.6987	0.6094

¹ There was no distribution for Z Income units as the total amount distributable was below the de minimis.

GBP Hedged A Income units, GBP Hedged A Accumulation units, GBP Hedged Z Income units and GBP Hedged Z Accumulation units have made no distributions to date.

Portfolio Information

Spread of investments	% of net assets as at 15.9.13	% of net assets as at 15.3.13
Belgium	3.88	4.16
Denmark	0.00	1.03
France	15.36	21.12
Germany	22.59	17.41
Italy	1.47	2.18
Netherlands	7.97	7.89
Norway	4.25	4.12
Spain	2.23	1.63
Sweden	12.83	10.72
Switzerland	26.70	28.22
Net other assets	2.72	1.52

Portfolio Information (continued)

	% of net assets as at 15.9.13		% of net assets as at 15.3.13
Major holdings			
UBS	4.80	Novartis	4.86
Novartis	4.49	BNP Paribas	4.26
DNB	4.25	SAP	4.18
BNP Paribas	4.24	DNB	4.12
Roche Holding Genusssheine	3.67	Sanofi	3.85
Hexagon B	3.56	Swatch Group	3.20
Assa Abloy B	3.52	UBS	3.19
Svenska Cellulosa B	3.52	Syngenta	3.01
Brenntag	3.42	Bureau Veritas	2.97
Henkel Non-Voting Preference	3.20	Brenntag	2.96

Investment Objective & Policy

The fund's investment objective is to provide capital growth through investment in European and other companies.

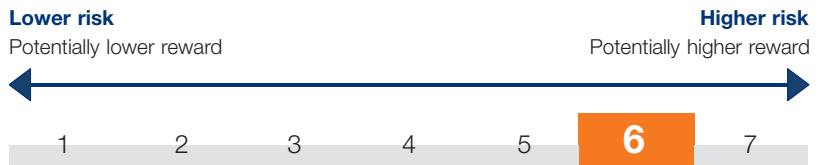
The emphasis of the fund will be investment in European companies. The fund may also invest in companies headquartered or quoted outside Europe where those companies have material or critical operations within or derive significant business from Europe. Fixed interest securities may be included in the portfolio.

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. For non-hedged unit classes exchange rates may cause the value of overseas investments and the revenue from them to rise or fall.

There is no guarantee that the hedging strategy applied in hedged unit classes will entirely eliminate the adverse effects of changes in exchange rates between the base currency and the portfolio currencies.

In addition, it should be noted that hedging transactions will be entered into whether or not the currencies of a hedged unit class are declining or increasing in value in relation to the base currency or portfolio currencies. Hedged unit classes aim to provide investors with a return correlated to the portfolio currencies performance of the fund by reducing the effect of exchange rate fluctuations between the base currency and the portfolio currencies.

As it is not possible to legally segregate unit classes' liabilities from those of other unit classes in the fund, there is a risk that, in certain limited circumstances, the hedging transactions undertaken in relation to a hedged unit class could result in liabilities which might affect the net asset value of the other unit classes in the fund.

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

The fund invests in a smaller number of stocks. This carries more risk than funds spread across a larger number of companies.

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 European Alpha Plus Fund for the period ended 15 September 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

GBP hedged unit classes were launched on 1 July 2013. Hedged unit classes allow the Manager to use currency hedging transactions to seek to minimise the effect of exchange rate fluctuations between the base currency and the portfolio currencies of the fund.

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**.

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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 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.

