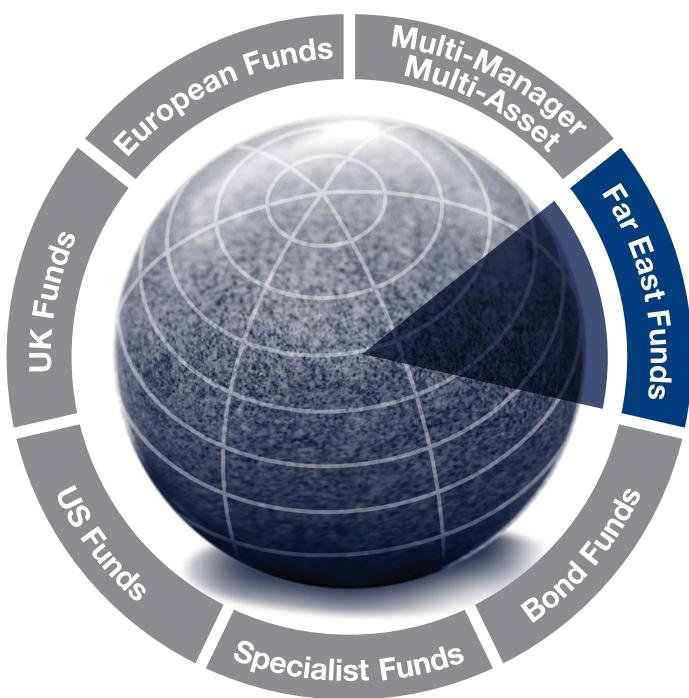


# Schroder

# Asian Alpha Plus Fund

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**Interim Report and Accounts**  
December 2013



**Schroders**

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**Schroder**

## Asian Alpha Plus Fund

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1 Collectively these comprise the Authorised Fund Manager's report.

# Fund Information

## Investment objective and policy

The fund's investment objective is to maximise capital growth through investment in securities of the Asia (ex Japan) region.

The emphasis of the fund will be investment in Asian excluding Japanese companies. Fixed interest securities and real estate investment trusts (REITS) may be included in the portfolio.

Investments will be primarily in directly held transferable securities. The fund may also invest in collective investment schemes, cash, deposits, derivatives, warrants and money market instruments.

## Financial highlights

Dealing price	31.12.13	28.6.13	% change
A Income units	78.43p	80.78p	(2.91)
A Accumulation units	80.68p	82.98p	(2.77)
L Income units	49.70p	–	–
L Accumulation units	49.70p	–	–
Z Income units	53.81p	55.63p	(3.27)
Z Accumulation units	54.94p	56.29p	(2.40)

## Fund information

Launch date	30 November 2007
Launch price	50.00p per A Income unit
	50.00p per A Accumulation unit
Launch date	11 May 2011
Launch price	50.00p per Z Income unit
	50.00p per Z Accumulation unit
Launch date	1 October 2013
Launch price	50.00p per L Income unit
	50.00p per L Accumulation unit

	Interim	Final
Accounting dates	31 December	30 June
Revenue allocation date		31 August

# Fund Information (continued)

## Ongoing charges figure

	For the period to 31.12.13	For the year to 30.6.13
A Income units	1.70% <sup>1</sup>	1.71%
A Accumulation units	1.70% <sup>1</sup>	1.71%
L Income units	0.88% <sup>1</sup>	–
L Accumulation units	0.88% <sup>1</sup>	–
Z Income units	0.95% <sup>1</sup>	0.96%
Z Accumulation units	0.95% <sup>1</sup>	0.96%

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

## Total purchases and sales

	For the period to 31.12.13 £000's	For the year to 30.6.13 £000's
Total purchases	171,388	341,326
Total sales	137,591	171,583

# Review of Investment Activities

**From 28 June 2013 to 31 December 2013 the price of A Accumulation units on a dealing price to dealing price basis fell 2.77%. In comparison, the MSCI All Country Far East ex Japan Index generated a net return of 0.55%<sup>1</sup> in sterling terms.**

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

Asian equities started off the period poorly as the US Federal Reserve's signalling of tapering in May saw an exodus of capital from emerging markets over the next two months. A pickup in positive economic data for both China and the US saw markets recover a lot of the lost ground while China's Third Plenum gathering of the country's leaders saw a raft of proposed reforms, helping sentiment towards the end of the year.

Two of the leading detractors for the fund over the period were Hong Kong and Korea. Hong Kong was down on our negative stock selection, where our exposure to select financials, particularly developers, dragged on performance. Our underweight position and negative stock selection in Korea also detracted. Meanwhile, the fund's leading positive contributor came from our underweight Indonesia, which fell over the period on concerns over its currency and current account deficit amidst talk of tapering.

Looking ahead, we believe that 2014 will see continued modest expansion in the global economy, but with inflationary pressures minimal, scares over a significant tightening in liquidity conditions look misplaced. This could be a healthy environment for Asian equities but our strict adherence to bottom up stock picking remains critical.

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.



**Fund Manager:**  
**Matthew Dobbs**

Joined Schroders in 1981

Investment career commenced in 1981

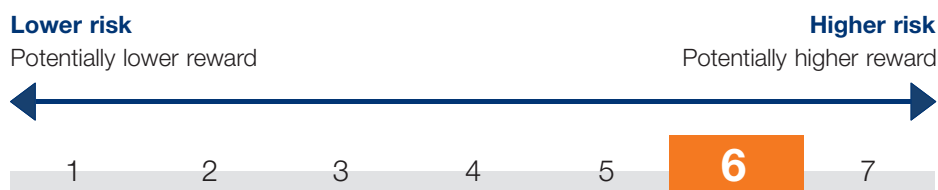
Currently Head of Global and International Small Cap Equities and advisor to the Global and International Equity team. Manages Pacific Equity portfolios and is also responsible for Global and International Small Cap portfolios. Based in London

Matthew has been based in Schroders' London office since 1999. In 1996 he returned to Singapore as Global Regional Managing Director of Schroder Investment Management in South East Asia. In 1987 Matthew took over responsibility for managing Pacific Equity portfolios in London. From 1985 he was Head of the Investment Division in Singapore. In 1983 Matthew was seconded to New York. He joined Schroders in 1981 as a UK investment analyst

BA in History and Economics, Oxford University

# 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.

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 is not tied to replicating a benchmark and holdings can therefore vary from those in the index quoted. For this reason the comparative index should be used for reference only.

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 invests in unregulated collective investment schemes, which involves a higher degree of risk as they are not regulated by the Financial Conduct Authority. The funds may not be readily realisable and priced less frequently than listed shares or authorised unit trusts, and therefore price swings may be more volatile. Unregulated schemes may be closed for subscription and/or redemption, may be subject to certain restrictions or limitations and there is unlikely to be an active secondary market in the shares or units of such underlying schemes. Some schemes may only be available for subscription or redemption on a periodic basis.

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

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

# Net Asset Value and Comparative Tables

## Unit price range

Year to 31 December	<b>A Income units</b>		<b>A Accumulation units</b>	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
2009	54.63	28.77	57.56	29.25
2010	74.31	50.70	75.49	53.41
2011	75.36	56.71	76.83	58.09
2012	80.59	66.14	82.79	67.76
2013	89.61	76.01	92.05	78.09

Year to 31 December	<b>L Income units</b>		<b>L Accumulation units</b>	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
2009	—	—	—	—
2010	—	—	—	—
2011	—	—	—	—
2012	—	—	—	—
2013	52.45	49.32	52.45	49.32

Year to 31 December	<b>Z Income units</b>		<b>Z Accumulation units</b>	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
2009	—	—	—	—
2010	—	—	—	—
2011	51.25	38.82	51.36	38.90
2012	55.30	45.37	55.95	45.47
2013	61.67	52.22	62.40	52.97

## Net revenue

Year to 31 December	<b>A Income units pence per unit</b>	<b>A Accumulation units pence per unit</b>
2009	0.4689	0.6502
2010	0.2279	0.2534
2011	0.6085	0.6409
2012	0.1910	0.2107
2013	0.1182	0.1242

The L Income units and L Accumulation units have made no distributions to date.

# Net Asset Value and Comparative Tables (continued)

Year to 31 December	Z Income units pence per unit	Z Accumulation units pence per unit
2009	–	–
2010	–	–
2011	0.1074	0.1132
2012	0.4849	0.4882
2013	0.4965	0.5011

## Net asset value

As at 30 June	Net asset value £000's	Net asset value per unit p	Number of units in issue
<b>2011</b>			
A Income units	33,889	72.37	46,829,556
A Accumulation units	164,785	74.14	222,270,357
Z Income units	210	49.45	425,132
Z Accumulation units	7,292	49.55	14,716,243
<b>2012</b>			
A Income units	34,788	69.83	49,817,794
A Accumulation units	182,615	71.73	254,578,951
Z Income units	11,030	47.73	23,110,566
Z Accumulation units	32,483	48.30	67,256,468
<b>2013</b>			
A Income units	29,986	80.71	37,150,308
A Accumulation units	285,985	83.04	344,413,945
Z Income units	76,594	55.17	138,822,021
Z Accumulation units	88,144	56.33	156,481,014
<b>2013 at 31 December</b>			
A Income units	26,856	78.07	34,401,095
A Accumulation units	250,390	80.31	311,775,928
L Income	1	49.47	2,000
L Accumulation	1	49.47	2,000
Z Income units	89,045	53.57	166,235,693
Z Accumulation units	129,304	54.69	236,438,009

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.



# Portfolio Statement

	Holding at 31.12.13	Market Value £000's	% of net assets
<b>Asia</b>			
<b>China 3.76%</b>			
(30.6.13 – 0.00%)			
China Petroleum & Chemical 'H'	25,214,000	12,428	2.51
Great Wall Motor	1,871,000	6,221	1.25
		<b>18,649</b>	<b>3.76</b>
<b>Hong Kong 13.87%</b>			
(30.6.13 – 16.01%)			
AIA Group	5,038,000	15,241	3.08
Bank of China Hong Kong Holdings	5,091,000	9,831	1.98
China Taiping Insurance Holdings	4,025,400	4,934	1.00
Dah Chong Hong Holdings	18,635,000	8,416	1.70
Hang Lung Group	3,711,000	11,313	2.28
Kerry Logistics Network	1,908,250	1,635	0.33
PCCW	27,556,000	7,403	1.49
Techtronic Industries	5,856,000	9,986	2.01
		<b>68,759</b>	<b>13.87</b>
<b>India 6.55%</b>			
(30.6.13 – 7.43%)			
Apollo Hospitals Enterprises	669,661	6,179	1.25
Arvind	1,705,669	2,285	0.46
Gujrat Pipavav Port	7,300,869	4,490	0.91
Idea Cellular	4,303,763	7,009	1.41
McLeod Russel	1,356,338	4,237	0.86
Shriram Transport	304,967	2,001	0.40
Shriram Transport Call Warrants JPMorgan 24.9.14 <sup>1</sup>	157,641	1,030	0.21
Tata Motors	1,420,213	5,219	1.05
		<b>32,450</b>	<b>6.55</b>
<b>Indonesia 1.49%</b>			
(30.6.13 – 1.87%)			
Bank Mandiri (Persero)	19,092,000	7,388	1.49
		<b>7,388</b>	<b>1.49</b>

# Portfolio Statement (continued)

	Holding at 31.12.13	Market Value £000's	% of net assets
<b>Philippines 1.83%</b>			
(30.6.13 – 2.03%)			
Ayala Land	26,985,500	9,067	1.83
		<b>9,067</b>	<b>1.83</b>
<b>Singapore 4.86%</b>			
(30.6.13 – 6.04%)			
Fortune Real Estate Investment Trust	10,363,000	4,963	1.00
Keppel	2,734,000	14,603	2.95
UOL Group	1,524,000	4,504	0.91
		<b>24,070</b>	<b>4.86</b>
<b>South Korea 16.32%</b>			
(30.6.13 – 13.29%)			
Hyundai Motor	156,481	21,128	4.26
LG Chem	44,471	7,607	1.53
LG Household & Healthcare	47,717	14,906	3.01
Samsung Electronics	28,101	22,041	4.45
Samsung Electronics GDR	38,670	15,211	3.07
		<b>80,893</b>	<b>16.32</b>
<b>Sri Lanka 1.23%</b>			
(30.6.13 – 1.30%)			
John Keells Holdings	5,689,500	5,909	1.19
John Keells Holdings Warrants	252,875	92	0.02
John Keells Holdings Warrants 2016	252,875	107	0.02
		<b>6,108</b>	<b>1.23</b>
<b>Taiwan 12.44%</b>			
(30.6.13 – 14.18%)			
Asustek Computer	2,037,000	11,059	2.23
Hon Hai Precision Industry	5,099,000	8,264	1.67
MediaTek	875,000	7,853	1.58
Taiwan Semiconductor Manufacturing	11,400,510	24,250	4.89
Taiwan Semiconductor Manufacturing ADS	409,850	4,308	0.87
Tripod Technology	5,499,000	5,938	1.20
		<b>61,672</b>	<b>12.44</b>

# Portfolio Statement (continued)

	Holding at 31.12.13	Market Value £000's	% of net assets
<b>Thailand 5.93%</b>			
(30.6.13 – 5.84%)			
BEC World <sup>2</sup>	2,601,300	2,414	0.49
Kasikornbank Non-Voting	4,875,400	13,975	2.82
LPN Development <sup>2</sup>	7,614,100	2,154	0.44
Supalai <sup>2</sup>	8,082,500	2,153	0.43
Total Access Communications <sup>2</sup>	1,955,182	3,476	0.70
Total Access Communications Non-Voting	2,926,700	5,203	1.05
		<b>29,375</b>	<b>5.93</b>
<b>Australasia</b>			
<b>Australia 2.66%</b>			
(30.6.13 – 4.18%)			
Antares Energy	9,491,754	2,769	0.56
Iluka Resources	1,453,126	6,758	1.36
Neon Energy	11,996,750	1,750	0.35
Sandfire Resources	550,357	1,920	0.39
		<b>13,197</b>	<b>2.66</b>
<b>Central &amp; North America</b>			
<b>Bermuda 13.61%</b>			
(30.6.13 – 14.61%)			
Hong Kong Land Holdings	3,217,000	11,460	2.31
Jardine Strategic Holdings	1,168,500	22,576	4.56
Johnson Electric Holdings	19,363,500	11,263	2.27
Kerry Properties	3,816,500	7,965	1.61
Pacific Basin Shipping	6,932,000	2,996	0.61
Texwinca Holdings	8,142,000	5,161	1.04
Yue Yuen Industrial Holdings	2,997,000	6,009	1.21
		<b>67,430</b>	<b>13.61</b>
<b>Cayman Islands 7.14%</b>			
(30.6.13 – 3.76%)			
361 Degrees International	11,344,000	1,811	0.36
Baidu ADR	143,706	15,340	3.10
Charm Communications ADR	341,500	887	0.18
China Lodging Group ADS	274,500	5,058	1.02
Intime Retail Group	4,553,500	2,872	0.58
Mindray Medical International ADR	296,933	6,517	1.31

# Portfolio Statement (continued)

	Holding at 31.12.13	Market Value £000's	% of net assets
<b>Cayman Islands (continued)</b>			
Springland International Holdings	9,447,000	2,920	0.59
		<b>35,405</b>	<b>7.14</b>
<b>United States 1.81%</b>			
(30.6.13 – 1.76%)			
Yum! Brands	197,003	8,951	1.81
		<b>8,951</b>	<b>1.81</b>
<b>Europe</b>			
<b>Luxembourg 1.30%</b>			
(30.6.13 – 1.83%)			
Samsonite International	3,528,000	6,456	1.30
		<b>6,456</b>	<b>1.30</b>
<b>United Kingdom 1.52%</b>			
(30.6.13 – 1.65%)			
Schroder Asia Pacific Fund <sup>1</sup>	3,200,000	7,504	1.52
		<b>7,504</b>	<b>1.52</b>
<b>Portfolio of investments</b>		<b>477,374</b>	<b>96.32</b>
Net other assets		18,223	3.68
<b>Net assets attributable to unitholders</b>		<b>495,597</b>	<b>100.00%</b>

Unless otherwise stated the above securities are ordinary shares or common stock and admitted to official exchange listings.

<sup>1</sup> A related party to the fund.

<sup>2</sup> Foreign registered.

# Summary of Portfolio Transactions

## Largest purchases

For the six months ended 31 December 2013	Cost £000's
Kasikornbank Non-Voting	17,882
China Petroleum & Chemical 'H'	17,039
Keppel	14,506
Samsung Electronics	14,238
Bank of China Hong Kong Holdings	10,336
Mindray Medical International ADR	7,219
Tata Motors	6,423
Total Access Communications Non-Voting	6,347
Great Wall Motor	6,188
LG Household & Healthcare	5,883

## Largest sales

For the six months ended 31 December 2013	Proceeds £000's
Sun Hung Kai Properties	17,194
Bangkok Bank Public Non-Voting	12,650
CNOOC	10,502
Daelim Industrial	7,457
LG Chem	7,367
Tata Motors	6,651
Singapore Telecommunications	6,505
Coca-Cola Amatil	6,422
Sembcorp Marine	5,998
Idea Cellular	5,576

# Statement of the Manager's Responsibilities

The Financial Conduct Authority's Collective Investment Schemes Sourcebook (COLL) requires the Manager to prepare accounts for each annual and half yearly accounting period, in accordance with United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the financial position of the fund and of its net revenue and the net capital losses on the property of the fund for the period. In preparing the accounts the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for Authorised Funds issued by the IMA in October 2010;
- follow generally accepted accounting principles and applicable accounting standards;
- prepare the accounts on the basis that the fund will continue in operation unless it is inappropriate to do so;
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements.

The Manager is responsible for the management of the fund in accordance with its Trust Deed, the Prospectus and the COLL and for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The Manager's report and accounts for the period ended 31 December 2013 were signed on 13 February 2014 on behalf of the Manager by:

**C.E. Helmstetter**  
Directors

**J.M. Cardew**

# Statement of Total Return (unaudited)

For the six months ended 31 December 2013

	31.12.13		31.12.12	
	£000's	£000's	£000's	£000's
<b>Income</b>				
Net capital (losses)/gains		(17,765)		40,602
Revenue	5,516		3,595	
Expenses	(3,546)		(2,490)	
Net revenue before taxation	<b>1,970</b>		<b>1,105</b>	
Taxation	(559)		(357)	
Net revenue after taxation		<b>1,411</b>		<b>748</b>
<b>Total return before distributions</b>		<b>(16,354)</b>		<b>41,350</b>
Finance costs: Distributions		146		365
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(16,208)</b>		<b>41,715</b>

# Statement of Change in Net Assets Attributable to Unitholders (unaudited)

For the six months ended 31 December 2013

	31.12.13		31.12.12	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		480,709 <sup>1</sup>		260,916
Amounts receivable on creation of units	92,425		107,440	
Amounts payable on cancellation of units	(61,324)		(20,492)	
		<b>31,101</b>		<b>86,948</b>
Stamp duty reserve tax		(6)		0
Change in net assets attributable to unitholders from investment activities		(16,208)		41,715
Unclaimed distributions		1		1
<b>Closing net assets attributable to unitholders</b>		<b>495,597</b>		<b>389,580</b>

1 The Opening net assets attributable to unitholders for the current period do not equal the Closing net assets attributable to unitholders for the comparative period as they are not consecutive periods.

# Balance Sheet (unaudited)

As at 31 December 2013

	31.12.13		30.6.13	
	£000's	£000's	£000's	£000's
<b>Assets</b>				
Investment assets		477,374		460,432
Debtors	2,116		6,152	
Cash and bank balances	17,639		16,938	
Total other assets		<b>19,755</b>		<b>23,090</b>
<b>Total assets</b>		<b>497,129</b>		<b>483,522</b>
<b>Liabilities</b>				
Creditors	(1,343)		(1,875)	
Bank overdrafts	(189)		(205)	
Distribution payable on Income units	0		(733)	
<b>Total liabilities</b>		<b>(1,532)</b>		<b>(2,813)</b>
<b>Net assets attributable to unitholders</b>		<b>495,597</b>		<b>480,709</b>



# Notes to the Accounts (unaudited)

## Accounting policies

### **Basis of accounting**

**The accounts have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for Authorised Funds issued by the IMA in October 2010.**

The accounting policies applied are consistent with those of the annual accounts for the year ended 30 June 2013 and are described in those annual accounts.

# General Information

## Manager

Schroder Unit Trusts Limited  
31 Gresham Street  
London EC2V 7QA  
Authorised and regulated by  
the Financial Conduct Authority

## Investment Adviser

Schroder Investment Management 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

## Registrar<sup>1</sup>

International Financial Data Services Limited  
IFDS House  
St Nicholas Lane  
Basildon  
Essex SS15 5FS

## Administration details

Schroders  
FREEPOST  
RLTZ-CHSY-HBUT  
PO Box 1102  
Chelmsford  
Essex CM99 2XX  
Investor Services  
0800 718 777  
investorservices@schroders.com  
Dealing 0800 718 788  
Fax 0870 043 4080

## Independent Auditors

PricewaterhouseCoopers LLP  
Erskine House  
68-73 Queen Street  
Edinburgh EH2 4NH

1 The Manager has delegated the function of Registrar to International Financial Data Services Limited.

## Authorisation

The fund is an authorised unit trust and is constituted pursuant to the COLL and is structured as a trust. The fund is a non-UCITS retail scheme for the purpose of the categorisation of the COLL.

## Other information

With effect from 1 October 2013 the minimum initial investment for Z Income units and Z Accumulation units decreased from £3 million to £1 million.

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](http://www.schroders.co.uk)**.



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).



# Schroders

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