

Schroder

Asian Income Maximiser

Interim Short Report

1 January 2013 to 30 June 2013



Schroders

Schroder Asian Income Maximiser

Review of Investment Activities

From 31 December 2012 to 28 June 2013, the price of A Accumulation units on a dealing price to dealing price basis, which reflects the reinvestment of the distribution paid to unitholders, rose 3.44%. The fund does not measure its performance against a benchmark because the options overlay strategy is expected to result in diverging performance according to market conditions. However, for comparison purposes, the MSCI All Country Pacific ex Japan Index generated a net return of 1.13%¹ in sterling terms over the same period.

¹ Source: Thomson Reuters Datastream.

The fund produced a positive return and strongly outperformed the index, mainly on account of positive stock selection in Singapore (Fortune Real Estate Investment Trust and Singapore Telecommunications), Thailand (Advanced Information Service) and Australia (Ammcor and underweight resources such as BHP Billiton) but also due to our underweight positions in China and Korea. Our underweight position in Korea was a leading contributor as the country continued to feel the effects of weak demand from Europe coupled with a strengthening won, which has eroded Korean companies' competitiveness compared to Japanese exporters in light of the weakening yen. Further contribution came from Thailand, where positive stock selection and our overweight position benefited as the country continues to perform well on its strong domestic consumer demand and continued infrastructure spending.

The income enhancement strategy performed as we would expect during the period, with the fund remaining on course to deliver its annual target yield. We continued to apply the strategy in an active manner, looking at each individual holding and its potential within the portfolio as a whole. Our aim is to sell just enough potential capital growth over three monthly periods and across our range of holdings (so as to meet the income target), while still benefiting from the first phase of any share price growth.



Co-Fund Managers:
Dr Thomas See
Richard Sennitt

Fund Information

	Quarterly	Interim	Quarterly	Final
Accounting dates	31 March	30 June	30 September	31 December
Revenue allocation dates	31 May	31 August	30 November	28 February

	For the period to 30.6.13	For the year to 31.12.12
Ongoing charges figure		
A Income units	1.70% ¹	1.71%
A Accumulation units	1.70% ¹	1.71%
Z Income units	0.95% ¹	0.96%
Z Accumulation units	0.95% ¹	0.96%

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

Performance Record

	Net Asset Value as at 30.6.13 pence per unit	Net Asset Value as at 31.12.12 pence per unit	Net Asset Value % change
Fund performance			
A Income units	54.38	54.19	0.35
A Accumulation units	68.42	65.83	3.93
Z Income units	55.42	55.05	0.67
Z Accumulation units	69.68	66.85	4.23

	3 months	6 months	Since launch
Schroder Asian Income Maximiser	(5.84)%	3.44%	18.06%
MSCI All Country Pacific ex Japan Index	(7.46)%	1.13%	25.65%

Fund Source: A Accumulation units on a dealing price to dealing price basis to 28.6.13.

Index Source: Thomson Reuters Datastream, net return in sterling terms to 28.6.13.

The Schroder Asian Income Maximiser was launched on 1.6.10.

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	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
Year to 31 December				
2010	58.13	48.92	59.66	48.92
2011	56.89	44.08	59.79	49.06
2012	55.57	48.75	66.48	55.07
2013 to 30 June	61.25	52.83	74.79	65.06

	Z Income units		Z Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
Year to 31 December				
2010	58.34	48.94	59.86	48.94
2011	57.11	44.44	60.17	49.45
2012	56.45	49.23	67.50	55.59
2013 to 30 June	62.30	53.84	76.12	66.25

Net Revenue	A Income units	A Accumulation units
Year to 31 December	pence per unit	pence per unit
2010	2.2604	2.2832
2011	4.0962	4.3960
2012	3.8455	4.4610
2013 to 30 June	1.9973	2.4442

	Z Income units	Z Accumulation units
Year to 31 December	pence per unit	pence per unit
2010	2.2642	2.2932
2011	4.1212	4.4012
2012	3.8929	4.5160
2013 to 30 June	2.0350	2.4887

Portfolio Information

	% of net assets as at 30.6.13	% of net assets as at 31.12.12
Spread of investments		
Australia	21.74	23.10
Bermuda	5.12	6.24
Cayman Islands	1.68	2.09
China	3.71	2.66
Hong Kong	12.12	13.34
Malaysia	2.18	1.17
New Zealand	1.81	2.83
Philippines	1.03	0.00
Singapore	15.38	18.00
South Korea	6.78	7.95
Taiwan	15.34	12.48
Thailand	7.73	6.63
United Kingdom	3.65	1.87
Australian Dollar Denominated Derivatives	(0.18)	(0.41)
Hong Kong Dollar Denominated Derivatives	(0.08)	(0.47)
Singapore Dollar Denominated Derivatives	(0.08)	(0.18)
Sterling Denominated Derivatives	(0.41)	(0.31)
US Dollar Denominated Derivatives	(0.01)	(0.07)
Net other assets	2.49	3.08

	% of net assets as at 30.6.13		% of net assets as at 31.12.12
Major holdings			
Taiwan Semiconductor Manufacturing	4.53	Taiwan Semiconductor Manufacturing	4.53
HSBC Holdings	3.65	Amcor	2.87
Amcor	3.42	Swire Pacific A	2.86
Taiwan Mobile	2.82	United Overseas Bank	2.63
Bangkok Bank	2.37	Fortune Real Estate Investment Trust	2.28
Sun Hung Kai Properties	2.35	Venture	2.25
United Overseas Bank	2.30	Glow Energy	2.23
Fortune Real Estate Investment Trust	2.30	Suncorp Group	2.23
Australia & New Zealand Banking Group	2.16	Yue Yuen Industrial Holdings	2.23
Bank of China (Hong Kong) Holdings	2.12	Incitec Pivot	2.17

Investment Objective & Policy

The fund's investment objective is to provide income with potential for capital growth primarily through investment in equity and equity related securities of Asian (ex Japan) companies.

In order to generate additional income, the Manager may selectively sell short dated call options over securities or portfolios of securities held by the fund, or indices, by setting individual target 'strike' prices at which those securities may be sold in the future.

The Manager is also permitted to sell put options on securities or portfolios of securities which are not held by the fund, or indices, at target prices that are pre-set below the current market level. The Manager may also, for the purpose of efficient management, use derivative instruments which replicate the performance of a basket of short dated call options or a combination of equity securities and short dated call options.

Investment will primarily be in directly held transferable securities. The fund may also invest in collective investment schemes, cash, deposits, warrants, money market instruments and derivatives. In particular, the fund may buy or sell over the counter and exchange traded derivatives, and enter into total returns swaps. The fund will use derivative instruments for investment purposes as well as for efficient portfolio management.

Further Information

The fund aims to deliver a target yield of 7% per year¹. The target yield of 7% is not guaranteed and could change according to prevailing market conditions. The Manager will notify unitholders if the target yield changes.

¹ The yield is the sum of the four quarterly distributions that comprise the fund year, each calculated by dividing the quarterly distribution amount by the unit price at the start of that quarter.

Risk Profile

Risk and reward indicator



The risk category was calculated using simulated 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 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 index unconstrained and has the potential for greater volatility.

The fund uses derivatives to achieve its investment objective. The way in which derivatives are used will increase the revenue paid to investors and reduce volatility, but there is the potential that performance or capital value may be eroded.

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.

As a result of the expenses being charged wholly to capital, the distributable revenue of the fund may be higher, but the capital value of the fund may be eroded which may affect future performance.

The target yield quoted is an estimate and is not guaranteed. It is quoted net of basic rate tax, however, higher rate tax payers should note that they may be liable for further deductions.

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 Schroder Asian Income Maximiser for the period ended 30 June 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

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**.

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, or visit our website at www.schroders.co.uk.

