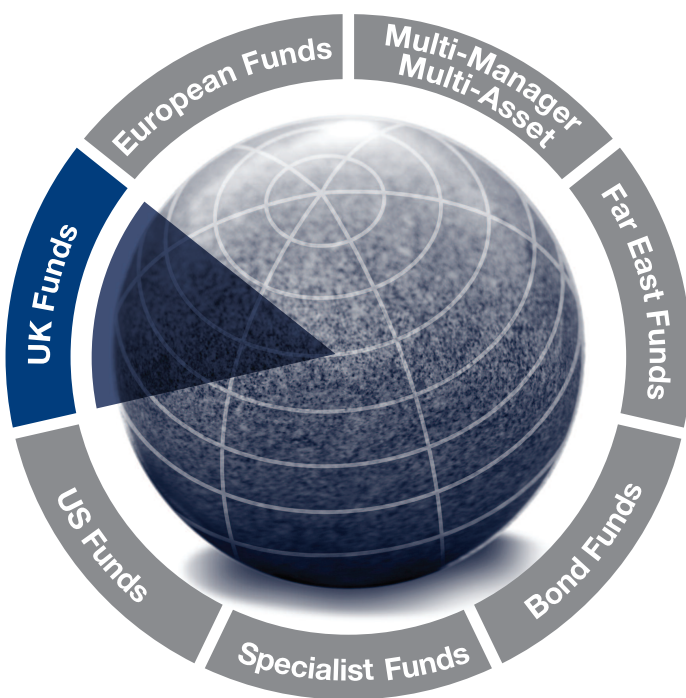


Schroder

UK Alpha Plus Fund

Interim Report and Accounts

November 2013



Schroders

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Schroder

UK 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 provide capital growth through investment in UK and other companies. In order to achieve the objective the Manager will invest in a focused portfolio of securities.

The emphasis of the fund will be investment in UK companies. The fund may also invest in companies headquartered or quoted outside the UK where those companies have material or critical operations within, or derive significant business from, the UK. 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.

Financial highlights

Selling price	29.11.13	31.5.13	% change
A Income units	154.10p	145.60p	5.84
A Accumulation units	173.90p	162.80p	6.82
L Income units	51.59p	–	–
L Accumulation units	51.59p	–	–
Z Income units	64.92p	61.46p	5.63
Z Accumulation units	67.07p	62.53p	7.26

Fund information

Launch date	24 June 2002	
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	30 November	31 May
Revenue allocation date		31 July

Fund Information (continued)

Ongoing charges figure

	For the period to 30.11.13	For the year to 31.5.13
A Income units	1.66% ¹	1.65%
A Accumulation units	1.66% ¹	1.65%
L Income units	0.83% ¹	–
L Accumulation units	0.83% ¹	–
Z Income units	0.91% ¹	0.90%
Z Accumulation units	0.91% ¹	0.90%

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

Total purchases and sales

	For the period to 30.11.13 £000's	For the year to 31.5.13 £000's
Total purchases	424,808	357,112
Total sales	1,440,425	1,416,965

Review of Investment Activities

From 31 May 2013 to 29 November 2013, the price of A Accumulation units on a selling price to selling price basis rose 6.82%. In comparison, the FTSE All Share Index generated a total return of 3.88%¹.

¹ Source: Thomson Reuters Datastream.

Signs of improving growth in developed economies supported investors' risk appetite over the period under review. International Consolidated Airlines Group, Lloyds Banking Group and electricity producer Drax Group were among the largest individual positive contributors to returns.

On taking over management of the fund, approximately one third of its assets were invested in domestically exposed cyclical companies (housebuilders, travel/leisure, domestic banks, retailers), compared to 11% in those sectors in the FTSE All Share Index. These areas of the market have performed very well since early 2012, with domestic demand driven principally by reduced saving rates and improved confidence in the housing market, and they now appear less attractively valued. We have significantly reduced exposure to these sectors as we felt that the portfolio needed to be rebalanced towards higher quality and more stable franchises such as software publisher Sage Group, medical devices producer Smith & Nephew and information provider Reed Elsevier. Whilst still retaining an element of cyclical, businesses such as these benefit from stable recurring revenue bases and have the ability to generate a lot of cash.

Our investment approach forces a constant re-evaluation of where the best combination of value and quality lies in the market, penalising businesses whose profit streams are cyclically extended and where those profits don't convert into cash over time. Given the very strong performance of many cyclical businesses whose profits are no longer depressed, we believe that investors should turn their attention to companies that offer more secure and stable earnings streams.

The aggregate valuation of the UK equity market is no longer cheap versus its long term historical average, but is not egregiously expensive. Consensus earnings estimates for next year are for high single digit earnings growth (in percentage terms), which appear realistic and reflect improvements in leading economic indicators. For the market to move forward sustainably, those earnings growth projections need to materialise.

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:
Philip Matthews

Philip Matthews joined Schroders in October 2013 to manage the Schroder UK Alpha Plus Fund

He joined from Jupiter, where he had worked since 1999 managing both retail and UK institutional portfolios

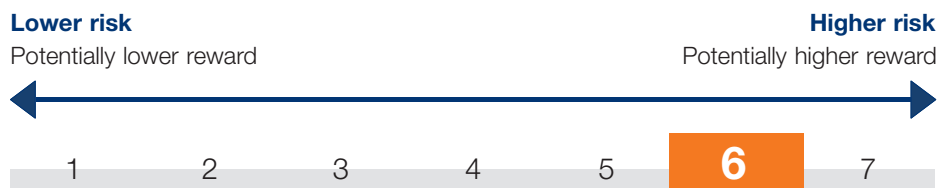
Philip managed the Jupiter Growth & Income Fund from April 2006 and was Deputy Fund Manager of the Jupiter Income Trust

Prior to joining Jupiter he worked at Chesterton plc in the Residential Investment and Development department

Philip has completed all levels of the CFA exam and holds a degree in Modern and Medieval Languages from Cambridge University

Risk Profile

Risk and reward indicator



The risk and reward indicator changed from 7 to 6 with effect from 10 July 2013.

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 index unconstrained and has the potential for greater volatility.

The fund invests predominantly 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 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.

Net Asset Value and Comparative Tables

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
2008	112.10	54.82	119.60	59.15
2009	103.00	52.51	113.40	56.66
2010	122.40	89.10	135.00	97.72
2011	126.80	95.29	140.30	105.40
2012	132.20	102.70	147.90	114.80
2013 to 30 November	158.60	128.20	178.90	143.30

Year to 31 December	L Income units		L Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	–	–	–	–
2012	–	–	–	–
2013 to 30 November	53.04	49.20	53.04	49.20

Year to 31 December	Z Income units		Z Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	50.46	39.93	50.54	39.99
2012	53.88	43.05	54.82	43.79
2013 to 30 November	66.75	53.96	68.96	54.91

Net Asset Value and Comparative Tables (continued)

Net revenue

Year to 31 December	A Income units pence per unit	A Accumulation units pence per unit
2008	1.1735	1.2516
2009	1.1142	1.2023
2010	0.5526	0.5976
2011	0.3422	0.3921
2012	1.1122	1.2247
2013 to 30 November	1.2773	1.4319

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

Year to 31 December	Z Income units pence per unit	Z Accumulation units pence per unit
2008	–	–
2009	–	–
2010	–	–
2011	0.0550	Nil ¹
2012	0.7717	0.7718
2013 to 30 November	0.9321	0.9492

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

Net Asset Value and Comparative Tables (continued)

Net asset value

As at 31 May	Net asset value £000's	Net asset value per unit p	Number of units in issue
2011			
A Income units	1,038,681	117.74	882,173,811
A Accumulation units	1,884,449	130.25	1,446,740,845
Z Income units	512	49.38	1,036,760
Z Accumulation units	1	49.33	2,000
2012			
A Income units	743,287	104.26	712,942,899
A Accumulation units	1,663,930	116.58	1,427,277,053
Z Income units	170,566	43.69	390,358,518
Z Accumulation units	96,088	44.46	216,107,074
2013			
A Income units	584,638	144.41	404,835,581
A Accumulation units	1,528,316	162.91	938,159,445
Z Income units	257,847	60.59	425,579,502
Z Accumulation units	197,745	62.59	315,921,500
2013 at 30 November			
A Income units	361,308	154.16	234,374,775
A Accumulation units	1,096,032	173.90	630,273,078
L Income units	1	51.58	2,000
L Accumulation units	1	51.58	2,000
Z Income units	121,530	64.92	187,208,264
Z Accumulation units	136,230	67.07	203,124,954

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 30.11.13	Market Value £000's	% of net assets
Oil & Gas 8.55%			
(31.5.13 – 7.67%)			
BG Group	3,236,470	40,391	2.35
BP	3,617,834	17,433	1.02
Royal Dutch Shell B	4,141,161	88,807	5.18
		146,631	8.55
Basic Materials 5.86%			
(31.5.13 – 7.28%)			
BHP Billiton	904,575	16,816	0.98
Glencore Xstrata	14,642,118	45,361	2.65
Rio Tinto	1,173,361	38,269	2.23
		100,446	5.86
Industrials 10.38%			
(31.5.13 – 10.29%)			
Balfour Beatty	8,464,591	22,643	1.32
Experian	1,398,034	15,756	0.92
Melrose Industries	12,875,034	37,595	2.19
Rentokil Initial	26,391,887	28,002	1.63
Rolls-Royce Holdings	4,165,478	51,444	3.00
Rolls-Royce Holdings C	358,231,108	358	0.02
Smiths Group	1,623,182	22,302	1.30
		178,100	10.38
Consumer Goods 7.73%			
(31.5.13 – 9.47%)			
Tate & Lyle	7,220,331	56,643	3.30
Taylor Wimpey	41,315,265	43,918	2.56
Unilever	1,295,813	31,994	1.87
		132,555	7.73
Health Care 10.98%			
(31.5.13 – 6.79%)			
AstraZeneca	204,361	7,179	0.42
GlaxoSmithKline	6,317,767	102,222	5.96
Shire	1,412,715	39,160	2.28
Smith & Nephew	4,881,682	39,761	2.32
		188,322	10.98

Portfolio Statement (continued)

	Holding at 30.11.13	Market Value £000's	% of net assets
Consumer Services 15.56%			
(31.5.13 – 21.64%)			
Carnival	1,527,501	34,094	1.99
Debenhams	41,602,975	40,251	2.35
Home Retail Group	10,753,137	20,528	1.20
Informa	1,908,728	10,641	0.62
International Consolidated Airlines Group	9,341,637	34,209	1.99
Ladbrokes	21,375,670	37,343	2.18
Next	124,883	6,862	0.40
Reed Elsevier	7,425,581	65,605	3.83
Spirit Pub Company	2,952,649	2,133	0.12
WH Smith	536,120	5,058	0.29
Whitbread	282,605	10,081	0.59
		266,805	15.56
Telecommunications 2.05%			
(31.5.13 – 0.00%)			
BT Group	9,435,817	35,158	2.05
		35,158	2.05
Utilities 4.87%			
(31.5.13 – 5.53%)			
Centrica	8,437,160	28,543	1.66
Drax Group	7,954,680	55,007	3.21
		83,550	4.87
Financials 26.31%			
(31.5.13 – 25.85%)			
Barclays	22,111,542	60,033	3.50
F&C Asset Management	9,518,100	8,904	0.52
HSBC Holdings	10,103,296	68,884	4.02
ICAP	10,291,528	42,607	2.48
Legal & General Group	24,451,495	52,277	3.05
Lloyds Banking Group	62,660,787	48,500	2.83
London Stock Exchange Group	1,077,295	17,517	1.02
Resolution	17,561,186	60,059	3.50
Royal Bank of Scotland Group	8,884,654	29,062	1.70
St James's Place	8,565,892	54,736	3.19
Standard Chartered	593,301	8,594	0.50
		451,173	26.31

Portfolio Statement (continued)

	Holding at 30.11.13	Market Value £000's	% of net assets
Technology 2.13%			
(31.5.13 – 3.96%)			
Computacenter	716,790	4,802	0.28
Fidessa Group	24,371	515	0.03
Sage Group	8,957,457	31,208	1.82
		36,525	2.13
Sterling Denominated Derivatives (0.03)%			
(31.5.13 – (0.05)%)			
FTSE 100 Index Futures December 2013	549	(454)	(0.03)
		(454)	(0.03)
Portfolio of investments ¹		1,618,811	94.39
Net other assets		96,291	5.61
Net assets attributable to unitholders		1,715,102	100.00%

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

¹ Including derivative liabilities.

Summary of Portfolio Transactions

Largest purchases

For the six months ended 30 November 2013	Cost £000's
HSBC Holdings	70,825
Royal Dutch Shell B	42,829
Smith & Nephew	39,647
BT Group	35,620
GlaxoSmithKline	35,179
Sage Group	30,957
Rentokil Initial	28,083
Balfour Beatty	23,890
Smiths Group	23,190
London Stock Exchange Group	18,035

Largest sales

For the six months ended 30 November 2013	Proceeds £000's
Invensys	118,234
Lloyds Banking Group	98,864
Next	73,997
Whitbread	71,122
Taylor Wimpey	69,477
Genel Energy	67,269
International Consolidated Airlines Group	64,878
Drax Group	56,042
Experian	54,555
Standard Chartered	51,792

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 gains 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 30 November 2013 were signed on 17 January 2014 on behalf of the Manager by:

C.E. Helmstetter
Directors

J.M. Cardew

Statement of Total Return (unaudited)

For the six months ended 30 November 2013

	30.11.13		30.11.12	
	£000's	£000's	£000's	£000's
Income				
Net capital gains		107,100		456,299
Revenue	24,187		42,598	
Expenses	(15,667)		(22,817)	
Net revenue before taxation	8,520		19,781	
Taxation	0		(65)	
Net revenue after taxation		8,520		19,716
Total return before distributions		115,620		476,015
Finance costs: Distributions		(1,952)		281
Change in net assets attributable to unitholders from investment activities		113,668		476,296

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

For the six months ended 30 November 2013

	30.11.13		30.11.12	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		2,568,546 ¹		2,673,871
Amounts receivable on creation of units	9,765		228,343	
Amounts payable on cancellation of units	(976,528)		(177,186)	
		(966,763)		51,157
Stamp duty reserve tax		(352)		(719)
Change in net assets attributable to unitholders from investment activities		113,668		476,296
Unclaimed distributions		3		0
Closing net assets attributable to unitholders		1,715,102		3,200,605¹

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 30 November 2013

	30.11.13		31.5.13	
	£000's	£000's	£000's	£000's
Assets				
Investment assets		1,619,265		2,529,558
Debtors	57,401		8,167	
Cash and bank balances	75,554		85,787	
Total other assets		132,955		93,954
Total assets		1,752,220		2,623,512
Liabilities				
Investment liabilities		(454)		(1,220)
Creditors	(36,664)		(44,608)	
Distribution payable on Income units	0		(9,138)	
Total other liabilities		(36,664)		(53,746)
Total liabilities		(37,118)		(54,966)
Net assets attributable to unitholders				
		1,715,102		2,568,546

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 31 May 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

Registrar¹

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

Administration details

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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 UCITS 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**.



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.



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