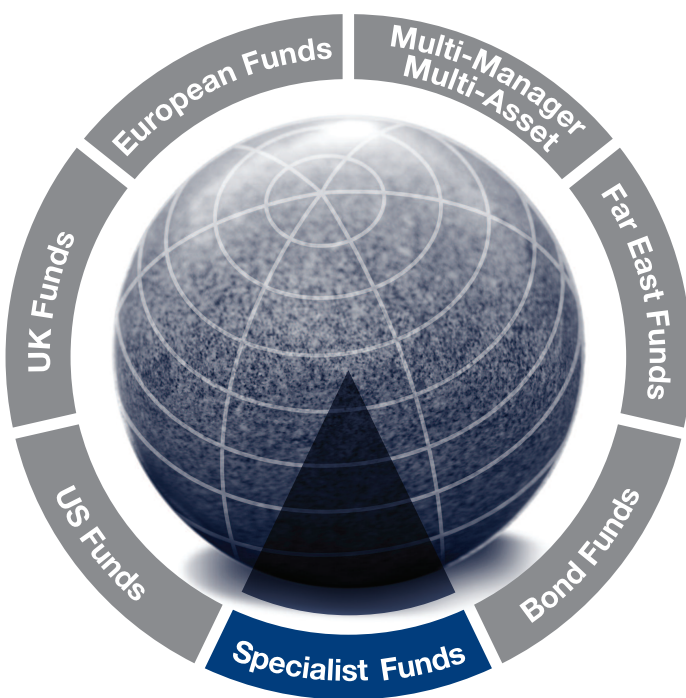


Schroder Global Equity Income Fund

Interim Report and Accounts
January 2012



Schroders

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Schroder

Global Equity Income Fund

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Fund Information

Investment objective and policy

The fund's investment objective is to provide income and capital growth for investors over the long term primarily through investment in equity and equity related securities of companies worldwide which offer attractive yields and sustainable dividend payments.

Investment will be in directly held transferable securities. The fund may also invest in collective investment schemes, warrants and money market instruments.

Financial highlights

Dealing price	13.1.12	15.7.11	% change
A Income units	41.11p	42.23p	(2.65)
A Accumulation units	49.42p	49.44p	(0.04)
Z Income units	53.65p	–	–
Z Accumulation units	53.65p	–	–
	15.3.12	15.3.11	
Interim distribution per A Income unit	0.6384p	0.7016p	

Fund information

Launch date	18 May 2007	
Launch price	50.00p per A Income unit	
	50.00p per A Accumulation unit	
Launch date	8 November 2011	
Launch price	50.00p per Z Income unit	
	50.00p per Z Accumulation unit	
	Interim	Final
Accounting dates	15 January	15 July
Revenue allocation dates	15 March	15 September

Total expense ratio

	For the period to 15.1.12	For the year to 15.7.11
A Income units	1.69% ¹	1.69%
A Accumulation units	1.69% ¹	1.69%
Z Income units	0.90% ¹	–
Z Accumulation units	0.90% ¹	–

1 The Total expense ratio is annualised based on the fees suffered during the accounting period.

Fund Information (continued)

Total purchases
and sales

	For the period to 15.1.12 000's	For the year to 15.7.11 000's
Total purchases	46,951	63,951
Total sales	60,166	54,401

Review of Investment Activities

From 15 July 2011 to 13 January 2012 the price of A Accumulation units on a dealing price to dealing price basis fell 0.04%. In comparison, the Morgan Stanley Capital International World Index generated a negative net total return of 2.60%¹ in sterling terms.

¹ Source: RIMES.

Slowing global growth and instability in the eurozone region were the two main factors driving sentiment in markets in the second half of 2011. Before the period drew to a close, some encouraging economic indicators (particularly in the US) and tempering inflation provided reason for cheer. Still, despite frequent bouts of exuberance, persistent macroeconomic uncertainty dominated sentiment. The result was a pattern of 'risk on', 'risk off' trading driving extreme volatility in markets.

Fund performance outstripped the wider market over the period. Relative gains were strongest in consumer goods, health care, financials and telecommunications. On a regional basis, the UK and North America were top contributors. Bristol-Myers Squibb, McDonald's and Petrobakken Energy led the gains at a stock level. Financial stocks such as Deutsche Boerse and Delta Lloyd detracted from performance as weak sentiment weighed on the sector.

The credible combination of loose monetary policy (providing a liquidity boost) and improving, or at least stabilising, growth figures is cause to take a more constructive view on the economy. As such, although we maintain our quality bias, we have started to introduce a little more cyclicity into the portfolio recently; taking profits in defensive large cap names that performed well in 2011, exiting our positions in McDonald's, Bristol-Myers Squibb and trimming Unilever. These are still very attractive businesses, but valuations had become too demanding. We redeployed the proceeds into high end consumer names such as luxury retailer Christian Dior, consumer and industrial products manufacturer General Electric and specialised high performance materials producer Compagnie de Saint-Gobain. At a sector level, we have reduced our exposure to health care – moving from an overweight to underweight position – while our underweight allocation to both the materials and energy sectors are now marginal overweights.

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:
Sonja Laud

Sonja is the fund manager of the Schroder ISF Global Equity Yield and the co-manager of the Schroder ISF Global Dividend Maximiser

Sonja commenced her investment career in 2001 on joining DWS Investment GmbH, Frankfurt where she was a senior fund manager in global equities, running the successful DWS 'Top Dividende' Global Yield Fund

Sonja qualified as a Master of Science at the European School of Management

CFA Charterholder

Net Asset Value and Comparative Tables

Unit price range

Year to 31 December	A Income units		A Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
2007	50.15	43.26	50.15	43.24
2008	46.40	29.46	46.38	30.99
2009	39.99	27.47	44.27	29.48
2010	42.57	36.67	49.01	41.18
2011	44.01	35.80	51.53	42.99
2012 to 15 January	41.11	39.84	49.42	47.90

Year to 31 December	Z Income units		Z Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
2007	–	–	–	–
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	51.63	47.11	51.63	47.11
2012 to 15 January	53.65	51.99	53.65	51.99

Net revenue

Year to 31 December	A Income units pence per unit	A Accumulation units pence per unit
2007	Nil	Nil
2008	1.9168	1.9397
2009	1.5995	1.7086
2010	1.5213	1.7355
2011	1.7448	2.0262
2012 to 15 January	0.6384	0.7686

Year to 31 December	Z Income units pence per unit	Z Accumulation units pence per unit
2007	–	–
2008	–	–
2009	–	–
2010	–	–
2011	–	–
2012 to 15 January	Nil ¹	Nil ¹

1 There will not be a distribution for Z Income units and 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 15 July	Net asset value £000's	Net asset value per unit p	Number of units in issue
2009			
A Income units	19,801	31.90	62,064,631
A Accumulation units	14,685	35.37	41,522,519
2010			
A Income units	30,690	37.50	81,841,233
A Accumulation units	29,680	43.17	68,754,942
2011			
A Income units	32,707	41.07	79,643,983
A Accumulation units	46,506	49.36	94,213,287
2012 at 15 January			
A Income units	27,477	40.17	68,404,739
A Accumulation units	33,910	48.95	69,280,889
Z Income units	1	52.45	2,000
Z Accumulation units	1	52.45	2,000

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.

Risk Profile

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 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.

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.

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

Statement of the Manager's Responsibilities

The Financial Services 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 15 January 2012 were signed on 23 February 2012 on behalf of the Manager by:

C.E. Helmstetter
Directors

J.M. Cardew

Portfolio Statement

	Holding at 15.1.12	Market Value £000's	% of total net assets
Asia			
Hong Kong 6.08%			
(15.7.11 – 0.00%)			
China Mobile	143,000	917	1.49
CNOOC	997,000	1,266	2.06
Sun Hung Kai Properties	103,000	872	1.42
Swire Pacific	89,500	679	1.11
		3,734	6.08
Japan 1.34%			
(15.7.11 – 0.00%)			
NTT DoCoMo	687	822	1.34
		822	1.34
Singapore 9.85%			
(15.7.11 – 8.66%)			
Ascendas Real Estate Investment Trust	854,000	859	1.40
Keppel	254,000	1,319	2.15
Mapletree Industrial Trust	1,590,600	873	1.42
SembCorp Industries	499,000	1,118	1.82
SembCorp Marine	520,000	1,183	1.93
Suntec Real Estate Investment Trust	1,212,000	696	1.13
		6,048	9.85
Taiwan 1.27%			
(15.7.11 – 3.12%)			
Taiwan Mobile	377,000	777	1.27
		777	1.27
Bermuda and Carribean			
Bermuda 0.98%			
(15.7.11 – 1.32%)			
Esprit	612,900	602	0.98
		602	0.98

Portfolio Statement (continued)

	Holding at 15.1.12	Market Value £000's	% of total net assets
Europe			
France 10.16%			
(15.7.11 – 10.03%)			
AXA	111,562	970	1.58
BNP Paribas	35,824	944	1.54
Christian Dior	7,723	629	1.03
Compagnie de Saint-Gobain	25,241	670	1.09
Sanofi-Aventis	27,138	1,251	2.04
TOTAL	25,128	812	1.32
Vinci	33,048	960	1.56
		6,236	10.16
Germany 6.89%			
(15.7.11 – 7.45%)			
BASF	20,710	984	1.60
BMW	24,711	808	1.32
Daimler	28,208	883	1.44
Deutsche Bank	34,617	830	1.35
Deutsche Boerse	20,935	725	1.18
		4,230	6.89
Ireland 1.89%			
(15.7.11 – 1.59%)			
CRH	93,207	1,159	1.89
		1,159	1.89
Israel 1.42%			
(15.7.11 – 1.57%)			
Israel Chemicals	126,838	872	1.42
		872	1.42
Italy 1.28%			
(15.7.11 – 2.78%)			
Intesa Sanpaolo	1,026,691	783	1.28
		783	1.28

Portfolio Statement (continued)

	Holding at 15.1.12	Market Value £000's	% of total net assets
Netherlands 3.80%			
(15.7.11 – 5.72%)			
Delta Lloyd	69,724	738	1.20
Reed Elsevier	121,934	909	1.48
Unilever	32,598	688	1.12
		2,335	3.80
Norway 2.71%			
(15.7.11 – 4.32%)			
Statoil	62,136	1,010	1.64
Telenor	63,219	656	1.07
		1,666	2.71
Portugal 1.10%			
(15.7.11 – 0.00%)			
Galp Energia	66,629	676	1.10
		676	1.10
Spain 1.43%			
(15.7.11 – 1.31%)			
Tecnicas Reunidas	37,041	880	1.43
		880	1.43
Switzerland 1.56%			
(15.7.11 – 4.58%)			
Zurich Financial Services	6,373	954	1.56
		954	1.56
United Kingdom 15.96%			
(15.7.11 – 9.14%)			
BAE Systems	313,676	950	1.55
British American Tobacco	24,012	713	1.16
Diageo	51,567	717	1.17
GlaxoSmithKline	82,160	1,178	1.92
Imperial Tobacco Group	33,570	800	1.30
Legal & General Group	813,474	908	1.48
Prudential	176,737	1,171	1.91

Portfolio Statement (continued)

	Holding at 15.1.12	Market Value £000's	% of total net assets
United Kingdom (continued)			
Rio Tinto	31,614	1,124	1.83
Royal Dutch Shell A	37,167	837	1.36
Vodafone Group	801,570	1,402	2.28
		9,800	15.96
North America			
Canada 3.59%			
(15.7.11 – 1.16%)			
Bank Of Montreal	17,015	631	1.03
Petrobakken Energy	179,592	1,570	2.56
		2,201	3.59
United States 29.72%			
(15.7.11 – 35.18%)			
AT&T	38,164	747	1.22
Edison International	34,666	918	1.49
Entergy	20,459	949	1.55
FirstEnergy	27,555	756	1.23
General Electric	50,207	614	1.00
International Paper	65,309	1,341	2.18
JPMorgan Chase ¹	44,770	1,042	1.70
Kraft Foods A	30,977	766	1.25
Lockheed Martin	25,378	1,345	2.19
Marathon Oil	52,904	1,047	1.71
Merck	47,293	1,181	1.92
Microsoft	118,662	2,173	3.54
Newmont Mining	26,271	1,078	1.76
PepsiCo	17,786	750	1.22
Pfizer	92,788	1,320	2.15
Philip Morris	18,354	923	1.50
Time Warner Cable	30,328	1,295	2.11
		18,245	29.72
South America			
Brazil 1.19%			
(15.7.11 – 0.00%)			
Petrobras Brasileiro ADR Preference	43,191	732	1.19
		732	1.19

Portfolio Statement (continued)

	Market Value £000's	% of total net assets
US Dollar Denominated Derivatives 0.00%		
(15.7.11 – (0.14)%)		
Portfolio of Investments	62,752	102.22
Net other liabilities	(1,363)	(2.22)
Net assets attributable to unitholders	61,389	100.00%

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

1 A related party to the fund.

Statement of Total Return (unaudited)

For the six months ended 15 January 2012

	15.1.12	15.1.11
	£000's	£000's
Income		
Net capital (losses)/gains	(1,146)	7,313
Revenue	1,389	1,279
Expenses	(630)	(551)
Finance costs:		
Interest payable	0	(1)
Net revenue before taxation	759	727
Taxation	(120)	(96)
Net revenue after taxation	639	631
Total return before distributions	(507)	7,944
Finance costs: Distributions	(1,237)	(1,158)
Change in net assets attributable to unitholders from investment activities	(1,744)	6,786

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

For the six months ended 15 January 2012

	15.1.12	15.1.11
	£000's	£000's
Opening net assets attributable to unitholders	79,213 ¹	60,370
Amounts receivable on issue of units	5,924	11,999
Amounts payable on cancellation of units	(22,532)	(6,656)
	(16,608)	5,343
Stamp duty reserve tax	(4)	(4)
Change in net assets attributable to unitholders from investment activities	(1,744)	6,786
Retained distribution on A Accumulation units	532	694
Closing net assets attributable to unitholders	61,389	73,189¹

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 15 January 2012

	15.1.12		15.7.11	
	£000's	£000's	£000's	£000's
Assets				
Investment assets		62,752		77,571
Debtors	15,138		596	
Cash and bank balances	1,504		2,959	
Total other assets		16,642		3,555
Total assets		79,394		81,126
Liabilities				
Investment liabilities		0		(111)
Creditors	(17,367)		(971)	
Bank overdrafts	(201)		0	
Distribution payable on A Income units	(437)		(831)	
Total other liabilities		(18,005)		(1,802)
Total liabilities		(18,005)		(1,913)
Net assets attributable to unitholders		61,389		79,213

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 15 July 2011 and are described in those annual accounts.

Distribution Table (unaudited)

Interim distribution
for the six months
ended 15 January
2012

A Income units and A Accumulation units

Group 1 Units purchased prior to 16 July 2011

Group 2 Units purchased on or after 16 July 2011

	Net revenue 2012 p per unit	Equalisation 2012 p per unit	Distribution payable 15.3.12 p per unit	Distribution paid 15.3.11 p per unit
A Income Units				
Group 1	0.6384	–	0.6384	0.7016
Group 2	0.3054	0.3330	0.6384	0.7016
A Accumulation Units				
Group 1	0.7686	–	0.7686	0.8108
Group 2	0.3156	0.4530	0.7686	0.8108

Interim distribution
for the period
ended 15 January
2012

Z Income units and Z Accumulation units

Group 1 Units purchased prior to 9 November 2011

Group 2 Units purchased on or after 9 November 2011

	Net revenue 2012 p per unit	Equalisation 2012 p per unit	Distribution payable 15.3.12 p per unit	Distribution paid 15.3.11 p per unit
Z Income Units				
Group 1	0.0000	–	0.0000	–
Group 2	0.0000	0.0000	0.0000	–
Z Accumulation Units				
Group 1	0.0000	–	0.0000	–
Group 2	0.0000	0.0000	0.0000	–

Corporate
unitholders

Corporate unitholders receive the dividend distribution payment as detailed below:

100.00% of the total distribution together with the tax credit is received as franked investment income.

Equalisation

Equalisation applies to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of Group 2 units and is refunded to the holders of these units as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

General Information

Manager

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

Registrar¹

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

Investment Adviser

Schroder Investment Management Limited
31 Gresham Street
London EC2V 7QA
Authorised and regulated by
the Financial Services Authority

Administration details

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

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

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.

Initial management charge

The issue price of A Income units and A Accumulation units reflects an initial management charge of 5.25% of the creation price (this is approximately 4.99% of the buying price). This is retained by the manager. With effect from 1 March 2012 the initial management charge was reduced for A Income units and A Accumulation units to 3.25% of the creation price (this is approximately 3.15% of the buying price). There is no initial management charge on Z Income units and Z Accumulation units.

Prospectus

The Prospectus and the Simplified Prospectus are available on request or can be downloaded from our website www.schroders.co.uk.



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