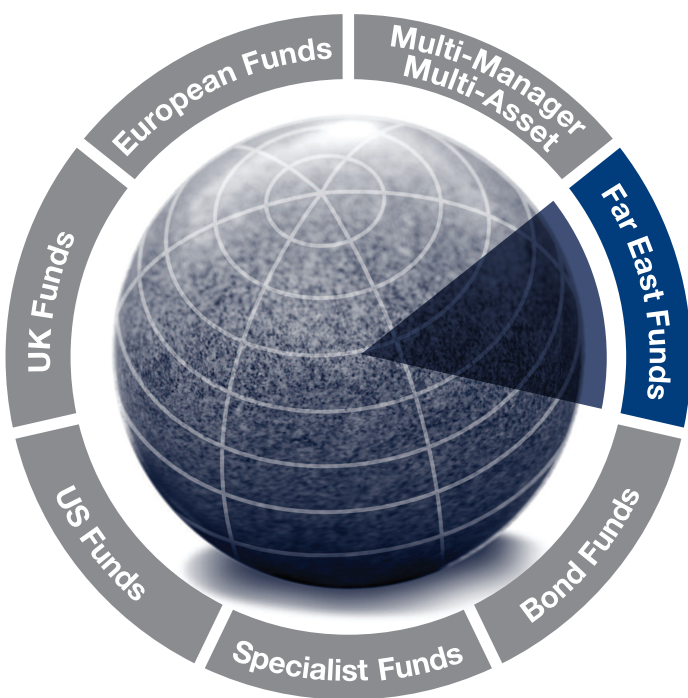


# Schroder

# Asian Alpha Plus Fund

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Interim Report and Accounts  
December 2011



Schroders

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**Schroder**

## **Asian Alpha Plus Fund**

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# 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	30.12.11	30.6.11	% change
A Income units	65.74p	73.23p	(10.23)
A Accumulation units	67.35p	74.39p	(9.46)
Z Income units	45.09p	49.73p	(9.33)
Z Accumulation units	45.18p	49.73p	(9.15)

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

## Total expense ratio

	For the period to 31.12.11	For the year to 30.6.11
A Income units	1.71% <sup>1</sup>	1.68%
A Accumulation units	1.71% <sup>1</sup>	1.69%
Z Income units	0.96% <sup>1</sup>	0.93% <sup>1</sup>
Z Accumulation units	0.96% <sup>1</sup>	0.93% <sup>1</sup>

<sup>1</sup> 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 31.12.11 £000's	For the year to 30.6.11 £000's
Total purchases	96,948	292,247
Total sales	105,361	156,828

# Review of Investment Activities

**From 30 June 2011 to 30 December 2011, the price of A Accumulation units on a dealing price to dealing price basis fell 9.46%. In comparison, the Morgan Stanley Capital International All Country Far East ex Japan Index generated a negative total return of 13.87%<sup>1</sup>.**

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

Global macroeconomic events – driven by eurozone debt concerns and uncertainty over the US recovery – dominated sentiment across Asia Pacific (ex Japan) markets as indices in the region endured double digit percentage losses.

The fund outperformed the benchmark during the period, largely on the back of stock selection in Korea and Hong Kong. From a sector perspective, our best performing holdings came largely from the technology and consumer discretionary sectors where the fund retains overweight positions. The fund also benefited from a low exposure to the financial sector, where our choice of individual stocks also proved highly positive. Key contributors in the sector included Ascendas REIT, Hana Financial Group and Ping An Insurance Group of China. The fund also saw gains from across the technology sector, with our position in Samsung Electronics proving our best performing stock. The company overtook Apple as the world's largest smartphone maker and the stock enjoyed strong gains on expectations that the company's fourth quarter earnings were likely to have hit record levels. Other contributors in the sector included Taiwan Semiconductor Manufacturing and a zero exposure to HTC.

Following the market turmoil of last year – which hit Asian markets harder than most – 2012 may prove an interesting time for investors to find opportunities in the market. Within the portfolio we are focused on companies with internally generated cash flows, which would help shield them from any short term turbulence emanating from the global economy.

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

# 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 from 30 November	51.30	48.30	51.31	48.30
2008	51.42	24.69	51.43	24.76
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

Year to 31 December	Z Income units		Z Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
2007 from 30 November	–	–	–	–
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	51.25	38.82	51.36	38.90

## Net revenue

Year to 31 December	A Income units pence per unit	A Accumulation units pence per unit
2007 from 30 November	Nil	Nil
2008	0.2465	0.2465
2009	0.4689	0.6502
2010	0.2279	0.2534
2011	0.6085	0.6409

Year to 31 December	Z Income units pence per unit	Z Accumulation units pence per unit
2007 from 30 November	–	–
2008	–	–
2009	–	–
2010	–	–
2011	0.1074	0.1132

# Net Asset Value and Comparative Tables (continued)

## Net asset value

As at 30 June	Net asset value £000's	Net asset value per unit p	Number of units in issue
<b>2009</b>			
A Income units	29	41.18	71,347
A Accumulation units	30,313	42.22	71,791,619
<b>2010</b>			
A Income units	527	57.41	918,807
A Accumulation units	54,658	59.53	91,816,024
<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>2011 at 31 December</b>			
A Income units	29,732	65.34	45,502,663
A Accumulation units	143,736	66.94	214,727,799
Z Income units	2,368	44.81	5,284,178
Z Accumulation units	4,202	44.91	9,357,572

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

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 may invest in unregulated collective investment schemes, which involves a higher degree of risk as they are not regulated by the FSA. 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 may use 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.



# 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 31 December 2011 were signed on 14 February 2012 on behalf of the Manager by:

**C.E. Helmstetter**  
Directors

**J.M. Cardew**

# Portfolio Statement

	Holding at 31.12.11	Market Value £000's	% of total net assets
<b>Asia</b>			
<b>China 2.55%</b>			
(30.6.11 – 6.48%)			
China Vanke B	1,683,500	1,050	0.58
Ping An Insurance Group of China H	836,000	3,540	1.97
		<b>4,590</b>	<b>2.55</b>
<b>Hong Kong 15.45%</b>			
(30.6.11 – 10.81%)			
China Taiping Insurance Holdings	2,676,200	3,184	1.77
CNOOC	2,408,000	2,709	1.50
Dah Chong Hong Holdings	2,862,000	2,153	1.20
Franshion Properties China	18,594,000	2,295	1.28
Sun Hung Kai Properties	870,000	6,992	3.88
Swire Pacific A	714,500	5,547	3.08
Techtronic Industries	7,501,500	4,941	2.74
		<b>27,821</b>	<b>15.45</b>
<b>India 0.85%</b>			
(30.6.11 – 2.06%)			
ShriRam Transport	144,478	732	0.41
ShriRam Transport Call Warrants JPMorgan 24.9.14 <sup>1</sup>	157,641	798	0.44
		<b>1,530</b>	<b>0.85</b>
<b>Indonesia 0.00%</b>			
(30.6.11 – 1.57%)			
<b>Malaysia 3.64%</b>			
(30.6.11 – 2.61%)			
Axiata Group	6,337,100	6,547	3.64
		<b>6,547</b>	<b>3.64</b>
<b>Singapore 11.50%</b>			
(30.6.11 – 9.65%)			
First Resources	3,773,000	2,809	1.56
Jardine Cycle & Carriage	89,000	2,122	1.18
SembCorp Industries	3,109,300	6,249	3.47
SembCorp Marine	944,000	1,789	0.99

# Portfolio Statement (continued)

	Holding at 31.12.11	Market Value £000's	% of total net assets
<b>Singapore (continued)</b>			
United Overseas Bank	772,000	5,850	3.25
UOL Group	948,000	1,882	1.05
		<b>20,701</b>	<b>11.50</b>
<b>South Korea 12.22%</b>			
(30.6.11 – 13.89%)			
Hyundai Mobis	30,265	4,928	2.74
Hyundai Motor	26,313	3,131	1.74
Samsung Electronics	5,523	3,264	1.81
Samsung Electronics GDR	32,598	9,609	5.33
Samsung Fire & Marine	26,231	1,077	0.60
		<b>22,009</b>	<b>12.22</b>
<b>Sri Lanka 0.33%</b>			
(30.6.11 – 0.00%)			
John Keells Holdings	610,000	586	0.33
		<b>586</b>	<b>0.33</b>
<b>Taiwan 10.64%</b>			
(30.6.11 – 12.72%)			
Hon Hai Precision Industry	1,705,132	3,000	1.67
Hon Hai Precision Industry GDR	484,870	1,716	0.95
Largan Precision	172,000	2,069	1.15
Siliconware Precision Industries	1,726,000	992	0.55
Siliconware Precision Industries ADR	552,400	1,546	0.86
Taiwan Semiconductor Manufacturing	1,744,510	2,803	1.56
Taiwan Semiconductor Manufacturing ADS	620,911	5,202	2.89
WPG Holdings	2,463,400	1,827	1.01
		<b>19,155</b>	<b>10.64</b>
<b>Thailand 8.59%</b>			
(30.6.11 – 3.80%)			
Bangkok Bank Public Non-Voting	2,157,200	6,709	3.73
BEC World	4,930,300	4,500	2.50
Hemaraj Land & Development	21,933,100	1,002	0.56
LPN Development	5,351,600	1,397	0.77
Quality Houses	61,077,800	1,856	1.03
		<b>15,464</b>	<b>8.59</b>

# Portfolio Statement (continued)

	Holding at 31.12.11	Market Value £000's	% of total net assets
<b>Australasia</b>			
<b>Australia 4.50%</b>			
(30.6.11 – 6.64%)			
Antares Energy	4,429,217	1,227	0.68
Atlas Iron	2,164,177	3,840	2.13
Neon Energy	6,039,038	2,032	1.13
Sandfire Resources	235,267	1,001	0.56
		<b>8,100</b>	<b>4.50</b>
<b>New Zealand 2.00%</b>			
(30.6.11 – 0.00%)			
Fletcher Building	1,171,315	3,610	2.00
		<b>3,610</b>	<b>2.00</b>
<b>Central &amp; North America</b>			
<b>Bermuda 13.45%</b>			
(30.6.11 – 11.22%)			
Esprit Holdings	2,101,900	1,741	0.97
Jardine Strategic Holdings	503,000	8,933	4.96
Johnson Electric Holdings	6,445,000	2,291	1.27
Kerry Properties	1,912,000	4,047	2.25
Midland Holdings	2,622,000	875	0.49
Peace Mark Holdings <sup>2 3</sup>	350,000	0	0.00
Texwinca Holdings	3,004,000	2,121	1.18
Yue Yuen Industrial Holdings	2,069,000	4,200	2.33
		<b>24,208</b>	<b>13.45</b>
<b>Canada 1.38%</b>			
(30.6.11 – 1.28%)			
Niko Resources	83,229	2,489	1.38
		<b>2,489</b>	<b>1.38</b>
<b>Cayman Island 5.73%</b>			
(30.6.11 – 12.80%)			
Biostime International Holdings	801,000	908	0.50
Charm Communications ADR	263,700	1,359	0.76
China Lodging Group ADS	274,900	2,356	1.31
Hengdeli Holdings	5,492,000	1,151	0.64

# Portfolio Statement (continued)

	Holding at 31.12.11	Market Value £000's	% of total net assets
<b>Cayman Island (continued)</b>			
NVC Lighting Holding	8,490,000	2,061	1.14
Springland International Holdings	6,006,000	2,478	1.38
		<b>10,313</b>	<b>5.73</b>
<b>United States 0.81%</b>			
(30.6.11 – 0.64%)			
Yum! Brands	38,356	1,460	0.81
		<b>1,460</b>	<b>0.81</b>
<b>Europe</b>			
<b>Italy 0.00%</b>			
(30.6.11 – 1.16%)			
<b>Luxembourg 0.84%</b>			
(30.6.11 – 0.00%)			
Samsonite International	1,518,300	1,517	0.84
		<b>1,517</b>	<b>0.84</b>
<b>Sweden 1.32%</b>			
(30.6.11 – 0.62%)			
Hexagon B	245,695	2,373	1.32
		<b>2,373</b>	<b>1.32</b>
Portfolio of Investments		<b>172,473</b>	<b>95.80</b>
Net other assets		7,565	4.20
<b>Net assets attributable to unitholders</b>		<b>180,038</b>	<b>100.00%</b>

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

- 1 A related party to the fund.
- 2 Unlisted, suspended and delisted securities within the meaning of the COLL.
- 3 Securities that are not approved within the meaning of the COLL.

# Statement of Total Return (unaudited)

For the six months ended 31 December 2011

	31.12.11		31.12.10	
	£000's	£000's	£000's	£000's
<b>Income</b>				
Net capital (losses)/gains		(20,874)		15,010
Revenue	1,732		938	
Expenses	(1,553)		(593)	
Finance costs:				
Interest payable	0		(2)	
Net revenue before taxation	<b>179</b>		<b>343</b>	
Taxation	(130)		(122)	
Net revenue after taxation		<b>49</b>		<b>221</b>
<b>Total return before distributions</b>		<b>(20,825)</b>		<b>15,231</b>
Finance costs: Distributions		(15)		45
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>(20,840)</b>		<b>15,276</b>

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

For the six months ended 31 December 2011

	31.12.11		31.12.10	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		206,176 <sup>1</sup>		55,185
Amounts receivable on issue of units	12,916		15,863	
Amounts payable on cancellation of units	(18,214)		(3,744)	
		<b>(5,298)</b>		<b>12,119</b>
Change in net assets attributable to unitholders from investment activities		(20,840)		15,276
<b>Closing net assets attributable to unitholders</b>		<b>180,038</b>		<b>82,580<sup>1</sup></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 2011

	31.12.11		30.6.11	
	£000's	£000's	£000's	£000's
<b>Assets</b>				
Investment assets		172,473		201,953
Debtors	585		2,217	
Cash and bank balances	7,736		5,172	
Total other assets		8,321		7,389
<b>Total assets</b>		<b>180,794</b>		<b>209,342</b>
<b>Liabilities</b>				
Creditors	(555)		(2,688)	
Bank overdrafts	(201)		(193)	
Distribution payable on Income units	0		(285)	
Total other liabilities		(756)		(3,166)
<b>Total liabilities</b>		<b>(756)</b>		<b>(3,166)</b>
<b>Net assets attributable to unitholders</b>				
		<b>180,038</b>		<b>206,176</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 2011 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 Services Authority

## Registrar<sup>1</sup>

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

<sup>1</sup> 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.

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



Issued in February 2012 by Schroder Unit Trusts Limited, 31 Gresham Street, London EC2V 7QA.

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