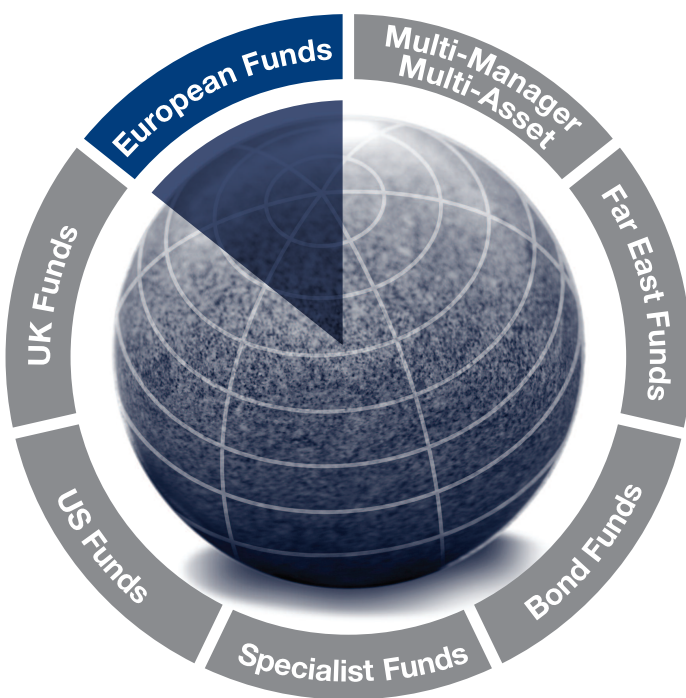


Schroder

European Alpha Plus Fund

Interim Report and Accounts
September 2012



Schroders

Contents

Schroder

European Alpha Plus Fund

Fund Information¹	3
Investment objective and policy	3
Financial highlights	3
Fund information	3
Ongoing charges figure	4
Total purchases and sales	4
Review of Investment Activities¹	5
Risk Profile¹	6
Risk and reward indicator	6
Specific risks	6
Net Asset Value and Comparative Tables¹	7
Unit price range	7
Net revenue	7
Net asset value	8
Portfolio Statement¹	9
Summary of Portfolio Transactions¹	12
Largest purchases	12
Largest sales	12
Statement of the Manager's Responsibilities	13
Statement of Total Return (unaudited)	14
Statement of Change in Net Assets	
Attributable to Unitholders (unaudited)	14
Balance Sheet (unaudited)	15
Notes to the Accounts (unaudited)	16
Accounting policies	16
General Information¹	17
Authorisation	17
Initial management charge	17
Prospectus	17

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 European and other companies.

The emphasis of the fund will be investment in European companies. The fund may also invest in companies headquartered or quoted outside Europe where those companies have material or critical operations within or derive significant business from Europe. 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	14.9.12	15.3.12	% change
A Income units	110.40p	106.50p	3.66
A Accumulation units	117.60p	112.70p	4.35
Z Income units	54.34p	51.84p	4.82
Z Accumulation units	54.32p	51.83p	4.80

Fund information

Launch date	3 October 2003	
Launch price	50.00p per A Income unit	
	50.00p per A Accumulation unit	
Launch date	10 February 2012	
Launch price	50.00p per Z Income unit	
	50.00p per Z Accumulation unit	
	Interim	Final
Accounting dates	15 September	15 March
Revenue allocation date		15 May

Fund Information (continued)

Ongoing charges figure

	For the period to 15.9.12	For the year to 15.3.12
A Income units	1.74% ¹	1.72%
A Accumulation units	1.73% ¹	1.72%
Z Income units	0.98% ¹	0.96% ¹
Z Accumulation units	0.98% ¹	0.97% ¹

To comply with the requirements of the UCITS IV Directive the Total expense ratio has been replaced with an Ongoing charges figure. The comparative figures have been restated in line with the new requirement.

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

Total purchases and sales

	For the period to 15.9.12 £000's	For the year to 15.3.12 £000's
Total purchases	131,319	189,136
Total sales	170,297	245,473

Review of Investment Activities

From 15 March 2012 to 14 September 2012 the price of A Accumulation units on a selling price to selling price basis rose 4.35%. In comparison, the FTSE World Europe ex UK Index generated a total return of 1.34%¹ in sterling terms.

¹ Source: Thomson Reuters Datastream.

Following a subdued second quarter, where investor risk appetite weakened as the effects of the European Central Bank's refinancing operations faded and macroeconomic data disappointed; continental European equity markets subsequently enjoyed a modest rally over the summer – benefiting from encouraging signs of a renewed commitment from European authorities to tackle sovereign debt and stimulate growth.

The fund posted robust returns and outperformed the index over the period. Strong stock selection across a broad range of sectors contributed to relative gains; particularly in the industrials, health care and basic materials sectors. Among our more cyclical holdings, key contributors included Koninklijke Vopak, Bureau Veritas and SGS. Flavours and fragrance producer Symrise, agribusiness Syngenta and industrial and specialty chemicals distributor Brenntag also performed well. Elsewhere, health care stocks including Rhoen-Klinikum and Essilor International (Compagnie Generale d'Optique) were particularly resilient over the period; shares in the former rallied on the back of a takeover bid by health care company Fresenius which valued the shares at a premium of approximately 55%.

The composition of the portfolio has not materially changed over the period. We remain underweight banks and continue to avoid the capital intensive utilities sector, where we currently think the high political risk outweighs the sector's perceived defensiveness.

Overall, we maintain a bias towards higher quality, structural growth and lower cyclicity. We continue to focus on what we do best – picking stocks we think can create value over the longer term. While we anticipate a challenging environment ahead, we believe European equities offer good value and our bias towards quality companies should hold the fund in good stead on a relative basis.

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:
Leon Howard-Spink

Responsible for Schroder ISF
European Special Situations and
Schroder European Alpha Plus Fund

Leon joined Schroders in November
2005 as an European equity fund
manager

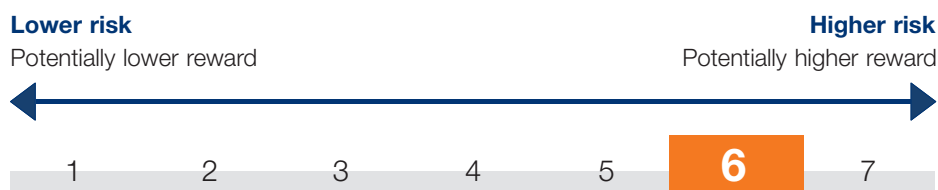
His investment career commenced in
1997 when he joined Jupiter Asset
Management. Became a fund
manager in 1999 when he started to
manage a European Equity Fund –
Central Croissance Europe

At the end of 2000 he took over the
management of the Jupiter European
Special Situations Fund, rated 'AA' by
S&P

Degree in Politics

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 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 is index unconstrained and has the potential for greater volatility.

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

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.

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
2007	119.10	97.99	121.20	99.75
2008	117.20	69.51	119.90	71.13
2009	108.90	68.38	113.60	69.97
2010	118.20	89.99	124.10	94.61
2011	127.60	88.19	134.90	93.25
2012 to 15 September	114.40	94.13	121.80	100.30

Year to 31 December	Z Income units		Z Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
2007	–	–	–	–
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	–	–	–	–
2012 to 15 September	54.54	46.22	54.52	46.22

Net revenue

Year to 31 December	A Income units pence per unit	A Accumulation units pence per unit
2007	0.4222	0.4280
2008	0.5296	0.5391
2009	1.3756	1.4076
2010	0.7919	0.8235
2011	0.7527	0.7891
2012 to 15 September	0.8237	0.8718

Year to 31 December	Z Income units pence per unit	Z Accumulation units pence per unit
2007	–	–
2008	–	–
2009	–	–
2010	–	–
2011	–	–
2012 to 15 September	Nil ¹	0.0814

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

Net Asset Value and Comparative Tables (continued)

Net asset value

As at 15 March	Net asset value £000's	Net asset value per unit p	Number of units in issue
2010			
A Income units	323,694	104.58	309,509,168
A Accumulation units	402,260	109.85	366,184,962
2011			
A Income units	338,276	108.75	311,049,511
A Accumulation units	451,131	114.99	392,327,357
2012			
A Income units	303,396	106.48	284,927,549
A Accumulation units	435,141	113.46	383,522,338
Z Income units	1	52.21	2,000
Z Accumulation units	2,707	52.20	5,185,744
2012 at 15 September			
A Income units	246,409	110.92	222,143,038
A Accumulation units	466,018	118.19	394,288,587
Z Income units	11,006	54.60	20,156,377
Z Accumulation units	11,798	54.59	21,613,610

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 15.9.12	Market Value £000's	% of net assets
Belgium 1.92%			
(15.3.12 – 1.83%)			
Telenet	570,226	14,077	1.92
		14,077	1.92
Denmark 1.27%			
(15.3.12 – 2.49%)			
Carlsberg B	164,460	9,328	1.27
		9,328	1.27
France 21.51%			
(15.3.12 – 24.20%)			
Air Liquide	165,321	13,097	1.78
Arkema	296,052	18,113	2.46
BNP Paribas	830,961	26,892	3.66
Bureau Veritas	353,829	21,662	2.95
Essilor International (Compagnie Generale d'Optique)	261,539	15,476	2.10
Eutelsat Communications	447,527	9,007	1.23
Imerys	330,497	11,972	1.63
Pernod Ricard	240,901	16,926	2.30
Sanofi	458,932	24,999	3.40
		158,144	21.51
Germany 18.00%			
(15.3.12 – 20.51%)			
Brenntag	248,765	19,597	2.67
Fielmann	203,492	12,142	1.65
Fresenius	158,039	10,995	1.50
Fresenius Medical Care	303,236	13,681	1.86
Henkel Non-Voting Preference	365,281	17,834	2.43
Linde	135,294	14,316	1.95
MTU Aero Engines	345,654	17,164	2.33
SAP	597,779	26,574	3.61
		132,303	18.00
Italy 4.31%			
(15.3.12 – 1.48%)			
Prysmian	1,257,791	15,106	2.05
Saipem	514,423	16,615	2.26
		31,721	4.31

Portfolio Statement (continued)

	Holding at 15.9.12	Market Value £000's	% of net assets
Netherlands 13.12%			
(15.3.12 – 13.49%)			
Fugro	461,139	19,760	2.69
ING Groep	4,231,944	23,576	3.21
Koninklijke Vopak	395,381	16,837	2.29
Unilever	677,188	14,918	2.03
Wolters Kluwer	1,199,512	14,081	1.91
Ziggo	365,904	7,299	0.99
		96,471	13.12
Norway 3.46%			
(15.3.12 – 3.19%)			
DNB	3,178,677	25,447	3.46
		25,447	3.46
Portugal 1.67%			
(15.3.12 – 1.88%)			
Galp Energia SGPS B	1,159,865	12,310	1.67
		12,310	1.67
Sweden 4.98%			
(15.3.12 – 4.59%)			
Getinge B	821,601	15,237	2.07
Hexagon B	1,529,664	21,359	2.91
		36,596	4.98
Switzerland 22.54%			
(15.3.12 – 21.22%)			
Clariant	2,384,657	18,944	2.58
Givaudan	16,872	10,064	1.37
Nestle	536,262	20,819	2.83
Novartis	798,489	29,512	4.01
SGS	11,978	15,508	2.11
Swatch Group	62,157	16,931	2.30
Syngenta	87,033	19,723	2.68
UBS	2,096,341	17,448	2.37
Zurich Financial Services	103,928	16,796	2.29
		165,745	22.54

Portfolio Statement (continued)

	Holding at 15.9.12	Market Value £000's	% of net assets
Euro Denominated Derivatives 0.06%			
(15.3.12 – 0.00%)			
Euro Stoxx 50 Futures September 2012	1,638	437	0.06
		437	0.06
Portfolio of investments		682,579	92.84
Net other assets		52,652	7.16
Net assets attributable to unitholders		735,231	100.00%

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

Summary of Portfolio Transactions

Largest purchases

For the six months ended 15 September 2012	Cost £000's
Saipem	14,438
Pernod Ricard	11,205
Fresenius	9,733
Arkema	7,548
Ziggo	6,440
Sanofi	6,016
Novartis	6,013
UBS	5,632
Nestle	5,628
Swatch Group	4,257

Largest sales

For the six months ended 15 September 2012	Proceeds £000's
Rhoen-Klinikum	15,593
Symrise	14,437
Unilever	12,143
Vinci	10,406
SEB	10,282
Carlsberg B	10,068
Essilor International (Compagnie Generale d'Optique)	8,058
Eutelsat Communications	6,999
SGS	6,122
Bureau Veritas	5,657

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 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 15 September 2012 were signed on 26 October 2012 on behalf of the Manager by:

C.E. Helmstetter
Directors

J.M. Cardew

Statement of Total Return (unaudited)

For the six months ended 15 September 2012

	15.9.12		15.9.11	
	£000's	£000's	£000's	£000's
Income				
Net capital gains/(losses)		17,667		(97,384)
Revenue	14,432		16,466	
Expenses	(5,743)		(6,871)	
Finance costs:				
Interest payable	0		(5)	
Net revenue before taxation	8,689		9,590	
Taxation	(1,271)		(1,311)	
Net revenue after taxation		7,418		8,279
Total return before distributions		25,085		(89,105)
Finance costs: Distributions		(295)		54
Change in net assets attributable to unitholders from investment activities		24,790		(89,051)

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

For the six months ended 15 September 2012

	15.9.12		15.9.11	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		741,245 ¹		789,407
Amounts receivable on creation of units	75,987		43,452	
Amounts payable on cancellation of units	(106,791)		(38,011)	
		(30,804)		5,441
Change in net assets attributable to unitholders from investment activities		24,790		(89,051)
Unclaimed distributions		0		1
Closing net assets attributable to unitholders		735,231		705,798¹

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 September 2012

	15.9.12		15.3.12	
	£000's	£000's	£000's	£000's
Assets				
Investment assets		682,579		703,261
Debtors	20,871		2,566	
Cash and bank balances	43,059		41,643	
Total other assets		63,930		44,209
Total assets		746,509		747,470
Liabilities				
Creditors	(11,278)		(3,878)	
Distribution payable on A Income units	0		(2,347)	
Total other liabilities		(11,278)		(6,225)
Total liabilities		(11,278)		(6,225)
Net assets attributable to unitholders				
		735,231		741,245

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 March 2012 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

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

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Trustee

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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 3.25% of the creation price (this is approximately 3.15% 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 Key Investor Information Document are available on request or can be downloaded from our website **www.schroders.co.uk**.



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