

Schroder

US Smaller Companies Fund

Final Short Report

1 May 2012 to 30 April 2013



Schroders

Schroder US Smaller Companies Fund

Review of Investment Activities

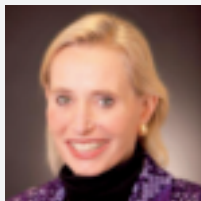
From 30 April 2012 to 30 April 2013, the price of A Accumulation units on a selling price to selling price basis rose 19.06%. In comparison, from 27 April 2012 to 29 April 2013 the Russell 2000 Index and the Standard & Poor's Composite Index generated total returns of 21.41%¹ and 21.73%¹ respectively in sterling terms. Due to the fund's valuation point, the performance periods for the fund and the benchmark are at different dates, however, the information is comparable.

1 Source: Thomson Reuters Datastream.

Concerns surrounding weak data from China, the continuing impact of the eurozone crisis and disappointing economic numbers from the US, drove the market for much of the period. However, the market has been up over 20% (in sterling terms) post the US election in November. US smaller companies underperformed the broader market – as they tend to be more sensitive to the economic environment.

Schroder US Smaller Companies Fund lagged the index over the period. Overall, stock selection within the materials sector and allocation to the financial sector detracted from returns. Our holding in gold mining company Pretium Resources, fell as investor interest in gold has deteriorated. However, we continue to like the company as it has a strong management team and has forecasted that it will be able to produce gold at around \$400 per ounce by 2016. The strongest individual contributors were Ocwen Financial and Packaging Corporation of America.

There have been no significant changes to the fund over the period. We believe the market is still vulnerable to slowdowns in the eurozone and China. The portfolio is driven by bottom up analysis and we continue to focus on identifying good companies with attractive business models and financials, that are trading at reasonable prices.



Fund Manager:
Jenny Jones

Fund Information

	Interim	Final
Accounting dates	31 October	30 April
Revenue allocation date		30 June
	For the year to 30.4.13	For the year to 30.4.12
Ongoing charges figure		
A Income units	1.67%	1.66%
A Accumulation units	1.67%	1.66%
Z Income units	0.92%	0.92% ¹
Z Accumulation units	0.92%	0.92% ¹

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

Performance Record

	Net Asset Value as at 30.4.13 pence per unit	Net Asset Value as at 30.4.12 pence per unit	Net Asset Value % change
Fund performance			
A Income units	1,451.58	1,214.18	19.55
A Accumulation units	1,451.75	1,214.29	19.56
Z Income units	58.90	49.02	20.16
Z Accumulation units	59.05	49.01	20.49

	3 months	1 year	5 years
Schroder US Smaller Companies Fund	6.54%	19.06%	62.90%
Russell 2000 Index	7.46%	21.41%	79.11%
Standard & Poor's Composite Index	8.71%	21.73%	63.00%

Fund Source: A Accumulation units on a selling price to selling price basis to 30.4.13.

Indices Source: Thomson Reuters Datastream, total return in sterling terms to 29.4.13.

Due to the fund's valuation point, the performance periods for the fund and the benchmark are at different dates, however, the information is comparable.

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 buying p	Lowest selling p	Highest buying p	Lowest selling p
Year to 31 December				
2008	1,047.00	642.20	1,047.00	642.20
2009	1,067.00	649.90	1,068.00	649.90
2010	1,316.00	956.70	1,317.00	956.80
2011	1,361.00	973.30	1,362.00	973.40
2012	1,329.00	1,160.00	1,329.00	1,160.00
2013 to 30 April	1,508.00	1,264.00	1,509.00	1,264.00

	Z Income units		Z Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
Year to 31 December				
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	–	–	–	–
2012	51.34	46.86	51.34	46.85
2013 to 30 April	61.28	51.25	61.28	51.25

Net revenue

The A Income units and A 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	–	–
2012	–	–
2013 to 30 April	0.1467	0.1467

Portfolio Information

	% of net assets as at 30.4.13	% of net assets as at 30.4.12
Spread of investments		
Energy	4.24	5.40
Materials	4.38	7.68
Industrials	20.36	12.77
Consumer Discretionary	15.96	20.50
Consumer Staples	4.03	1.15
Health Care	10.91	10.64
Financials	16.38	14.05
Information Technology	9.82	12.43
Utilities	5.05	4.50
US Dollar Denominated Derivatives	0.01	0.04
Net other assets	8.86	10.84

	% of net assets as at 30.4.13		% of net assets as at 30.4.12
Major holdings			
NorthWestern	1.80	NorthWestern	1.42
Parexel International	1.48	Waste Connections	1.42
Finish Line A	1.42	Brown & Brown	1.41
PTC	1.42	Alterra Capital Holdings	1.32
Brinker International	1.38	Cleco	1.27
Alterra Capital Holdings	1.30	The Cooper Companies	1.23
Applied Industrial Technologies	1.28	AboveNet	1.19
Brown & Brown	1.27	Rent-A-Center	1.18
Energys	1.23	Innophos Holdings	1.18
Idacorp	1.21	Applied Industrial Technologies	1.17

Investment Objective & Policy

The fund's investment objective is to achieve capital appreciation through investment in US smaller companies.

The fund will invest in the securities of smaller companies listed on the principal stock exchanges in North America, including Canada, together with those that are traded on the over the counter market.

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



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 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 smaller companies which may be less liquid than larger companies and price swings may therefore be greater than in larger company funds.

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.

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 the Schroder US Smaller Companies Fund for the year ended 30 April 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

With effect from 31 December 2012, the initial management charge was removed from A Income units and A Accumulation units.

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**.

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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.



