

# Schroder

# UK Mid 250 Fund

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## Final Short Report

1 August 2012 to 31 July 2013



# Schroders

# Schroder UK Mid 250 Fund

## Review of Investment Activities

**From 31 July 2012 to 31 July 2013 the price of A Accumulation units on a selling price to selling price basis rose 49.43%. In comparison, the fund's benchmark, the FTSE 250 ex Investment Trust Index, generated a total return of 40.25%<sup>1</sup>. The FTSE All Share Index generated a total return of 24.28%<sup>1</sup> over the same period.**

**1 Source: Thomson Reuters Datastream.**

In the period under review, the market reversed its 2011 preoccupation with economic themes and instead chose to focus on the green shoots of recovery and company fundamentals. This shift in sentiment drove UK equities higher, and our overall bias towards economically sensitive companies was beneficial in this environment. Retailer Sports Direct International, technology company CSR and residential landlord Grainger performed strongly. Many of the companies held within the portfolio were able to grow profits and dividends in spite of the difficult economic environment.

We have taken profits and trimmed positions in companies that increased considerably, and reinvested in companies with significant upside potential for investors willing to be long term. Companies that we sold after they performed strongly included airline easyJet, bookmaker William Hill and oil services firm Hunting. Among others, we reinvested proceeds into Kier Group, the integrated construction, services and property business, and bwin.party digital entertainment, the online gaming group.

Medium sized companies have significantly outperformed larger ones over the past twelve months, and they have demonstrated that they are capable of growing against a flat economic backdrop (which is likely to continue for the next few years). By concentrating on those companies with good market positions and strong balance sheets, we believe that this area of the market should continue to achieve positive returns. Our focus remains on companies that benefit from overseas demand, as well as specific UK growth areas.



**Fund Manager:**  
**Andrew Brough**

# Fund Information

	Interim	Final
Accounting dates	31 January	31 July
Revenue allocation date	30 September	
<b>Ongoing charges figure</b>	For the year to 31.7.13	For the year to 31.7.12
A Income units	1.66%	1.66%
A Accumulation units	1.66%	1.66%
Z Income units	0.91%	0.91% <sup>1</sup>
Z Accumulation units	0.91%	0.91% <sup>1</sup>

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

## Performance Record

<b>Fund performance</b>	Net Asset Value as at 31.7.13 pence per unit	Net Asset Value as at 31.7.12 pence per unit	Net Asset Value % change
A Income units	171.94	114.69	49.92
A Accumulation units	199.62	132.47	50.69
Z Income units	84.18	56.08	50.11
Z Accumulation units	86.32	56.85	51.84

	3 months	1 year	5 years
<b>Schroder UK Mid 250 Fund</b>	11.22%	49.43%	84.64%
FTSE 250 ex Investment Trust Index	8.20%	40.25%	105.79%
FTSE All Share Index	4.41%	24.28%	53.13%

Fund Source: A Accumulation units on a selling price to selling price basis to 31.7.13.

Indices Source: Thomson Reuters Datastream, total return to 31.7.13.

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	130.00	59.46	142.80	66.13
2009	109.00	62.42	123.00	69.42
2010	125.10	92.97	142.20	104.80
2011	131.80	93.07	149.80	106.40
2012	139.80	100.50	161.50	114.80
2013 to 31 July	173.50	136.60	200.40	157.70

	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	50.88	45.80	50.88	45.80
2012	66.39	49.05	67.31	49.05
2013 to 31 July	85.51	67.01	86.69	67.93

Net revenue	A Income units	A Accumulation units
Year to 31 December	pence per unit	pence per unit
2008	1.2748	1.3996
2009	1.2792	1.4228
2010	0.7470	0.8468
2011	0.6719	0.7623
2012	1.2314	1.4074
2013 to 31 July	0.8983	1.0397

	Z Income units	Z Accumulation units
Year to 31 December	pence per unit	pence per unit
2008	–	–
2009	–	–
2010	–	–
2011	Nil	Nil
2012	0.7748	0.7748
2013 to 31 July	0.9631	0.9809

# Portfolio Information

	% of net assets as at 31.7.13	% of net assets as at 31.7.12
<b>Spread of investments</b>		
Oil & Gas	4.83	7.54
Basic Materials	6.68	7.96
Industrials	22.56	26.54
Consumer Goods	3.65	2.72
Health Care	2.25	2.64
Consumer Services	28.27	29.01
Telecommunications	4.24	3.67
Financials	11.53	8.35
Technology	12.34	10.30
Net other assets	3.65	1.27

	% of net assets as at 31.7.13		% of net assets as at 31.7.12
<b>Major holdings</b>			
Sports Direct International	8.50	Sports Direct International	5.66
CSR	5.22	CSR	5.09
Grainger	4.80	Premier Oil	3.96
Pace	4.66	Atkins (WS)	3.90
Atkins (WS)	4.57	Halma	3.68
Bovis Homes Group	3.65	Victrex	3.67
Victrex	3.26	Ultra Electronics Holdings	3.38
Halma	3.25	Millennium & Copthorne Hotels	3.36
Ultra Electronics Holdings	3.19	William Hill	3.28
Premier Oil	3.11	Grainger	3.06



## Investment Objective & Policy

The fund's investment objective is to achieve long term capital growth by investing principally in companies listed in the FTSE 250 Index.

The fund will invest principally in equities of companies whose shares are listed in the FTSE 250 ex Investment Companies Index. However, the fund may also hold former components of, or expected entrants into, that index if in the opinion of the Manager it may be advantageous to do so.

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

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## 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 solely 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.

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 UK Mid 250 Fund for the year ended 31 July 2013. The long form Report & Accounts for the fund are available on our website [www.schroders.co.uk](http://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 for 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](http://www.schroders.co.uk).

**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.**

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](mailto:investorservices@schroders.com), or visit our website at [www.schroders.co.uk](http://www.schroders.co.uk).**







