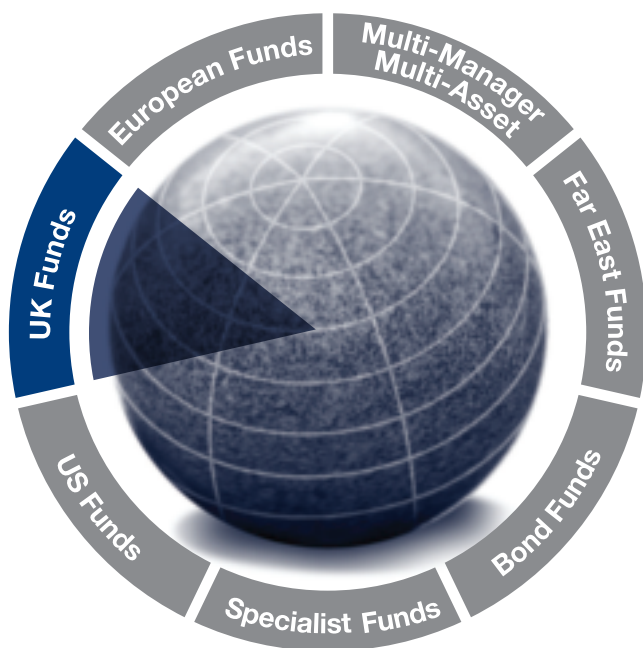


Schroder UK Equity Fund

Interim Short Report

21 June 2012 to 20 December 2012



Schroders

Schroder UK Equity Fund

Review of Investment Activities

From 20 June 2012 to 20 December 2012 the price of A Accumulation units on a selling price to selling price basis rose 11.12%. In comparison, the FTSE All Share Index generated a total return of 8.75%¹.

¹ Source: Thomson Reuters Datastream.

The combination of generally robust company earnings and central bank actions, which showed they were prepared to help flagging global growth, drove UK equities higher over the period under review. Our overall bias towards economically sensitive companies was beneficial in this environment. Virgin Media, CSR (a semiconductor company) and Daily Mail & General Trust were among the largest contributors to the fund's outperformance. Lloyds Banking Group and Royal Bank of Scotland Group performed well as investor sentiment towards the banking sector was lifted by positive developments in the eurozone.

We took profits on house builder Taylor Wimpey and the cash and carry wholesaler Booker Group following substantial share price increases over the past two years. We built our position in Drax Group, the electricity producer. We believe the company has considerable potential in the nascent biomass market and can achieve significant capital growth in the medium term. We also took advantage of short term weakness to add to pharmaceutical firm Shire.

Volatility in the UK equity market over the past few years has been driven largely by macroeconomic issues, notably in the eurozone. While risks remain, 2012 was a year of progress; with actions by the European Central Bank alleviating some of the tensions in the area. There were also signs of a recovery in the US economy. Globally, companies are in robust financial health with further progress on economic issues likely to lead to increased investment, which should benefit growth and profits. We expect the UK equity market to make further gains in 2013.



Co-Fund Managers:
Errol Francis
Ed Meier

Fund Information

	Interim	Final
Accounting dates	20 December	20 June
Revenue allocation dates	20 February	20 August

	For the period to 20.12.12	For the year to 20.6.12
Ongoing charges figure		
A Income units	1.66% ¹	1.67%
A Accumulation units	1.66% ¹	1.67%
I Accumulation units	0.91% ¹	–
Z Income units	0.91% ¹	0.92% ¹
Z Accumulation units	0.91% ¹	0.91% ¹

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

Performance Record

Fund performance	Net Asset Value as at 20.12.12 pence per unit	Net Asset Value as at 20.6.12 pence per unit	Net Asset Value % change
A Income units	623.23	567.94	9.74
A Accumulation units	1,650.78	1,494.06	10.49
I Accumulation units	56.36	–	–
Z Income units	53.31	50.24	6.11
Z Accumulation units	56.11	50.31	11.53

	3 months	6 months	5 years
Schroder UK Equity Fund	4.24%	11.12%	21.25%
FTSE ALL Share Index	2.86%	8.75%	16.40%

Fund Source: A Accumulation units on a selling price to selling price basis to 20.12.12.

Index Source: Thomson Reuters Datastream, total return to 20.12.12.

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.

Distribution	A Income units pence per unit	A Accumulation units pence per unit	I Accumulation units pence per unit
Year to 31 December			
2007	7.3482	17.6652	–
2008	10.6089	25.8663	–
2009	7.9560	19.9350	–
2010	6.1605	15.6275	–
2011	8.8256	22.6281	–
2012 to 20 December	11.1705	29.1524	0.5705

Performance Record (continued)

Year to 31 December	Z Income units pence per unit	Z Accumulation units pence per unit
2007	–	–
2008	–	–
2009	–	–
2010	–	–
2011	Nil	Nil
2012 to 20 December	1.9485	1.9335

Unit price range	A Income units		A Accumulation units	
Year to 31 December	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
2007	651.40	533.70	1,561.00	1,289.00
2008	627.10	329.20	1,522.00	809.30
2009	534.10	307.70	1,348.00	764.10
2010	636.80	470.60	1,630.00	1,201.00
2011	661.80	488.90	1,696.00	1,260.00
2012 to 20 December	653.90	534.40	1,720.00	1,389.00

	I Accumulation units		Z Income units	
Year to 31 December	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
2007	–	–	–	–
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	–	–	52.35	42.22
2012 to 20 December	62.57	49.62	56.23	46.69

	Z Accumulation units	
Year to 31 December	Highest buying p	Lowest selling p
2007	–	–
2008	–	–
2009	–	–
2010	–	–
2011	52.35	42.22
2012 to 20 December	56.31	46.75

Portfolio Information

	% of net assets as at 20.12.12	% of net assets as at 20.6.12
Spread of investments		
Oil & Gas	15.68	17.53
Basic Materials	8.18	8.06
Industrials	9.58	10.53
Consumer Goods	7.98	8.38
Health Care	9.78	10.31
Consumer Services	11.64	10.32
Telecommunications	6.57	8.16
Utilities	2.99	2.71
Financials	20.39	17.03
Technology	2.86	2.82
Unit Trusts	3.38	2.95
Net other assets	0.97	1.20

	% of net assets as at 20.12.12		% of net assets as at 20.6.12
Major holdings			
GlaxoSmithKline	5.15	GlaxoSmithKline	5.87
Royal Dutch Shell B	4.49	Vodafone Group	5.35
BP	3.97	Royal Dutch Shell B	4.76
BG Group	3.43	BG Group	4.59
Vodafone Group	3.39	BP	4.15
Schroder Recovery Fund A Accumulation Units	3.38	AstraZeneca	3.25
HSBC Holdings	3.21	Schroder Recovery Fund A Accumulation Units	2.95
Unilever	3.20	HSBC Holdings	2.91
Rio Tinto	3.18	Unilever	2.87
AstraZeneca	3.17	Anglo American	2.56



Investment Objective & Policy

The fund's investment objective is to achieve capital growth through investment in UK equities. However, attention will be paid to maintaining a steady growth in income distribution.

Investment will be in a balanced portfolio of good quality companies structured to produce a higher immediate income than is obtainable from funds concentrating entirely on capital growth.

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 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 Equity Fund for the period ended 20 December 2012. 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 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 and the Key Investor Information Document are available on request or can be downloaded from our website **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 Services Authority. **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.

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.



