

Schroder US Mid Cap Fund

Interim Report and Accounts
November 2013



Schroders

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Schroder

US Mid Cap Fund

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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 and income primarily through investment in equity securities of medium sized US companies.

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	29.11.13	31.5.13	% change
A Income units	76.50p	73.02p	4.77
A Accumulation units	76.57p	73.08p	4.78
L Income units	52.36p	–	–
L Accumulation units	52.36p	–	–
Z Income units	65.14p	61.98p	5.10
Z Accumulation units	65.23p	62.02p	5.18

Fund information

Launch date	1 June 2001	
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	
Launch date	1 October 2013	
Launch price	50.00p per L Income unit	
	50.00p per L Accumulation unit	
	Interim	Final
Accounting dates	30 November	31 May
Revenue allocation date		31 July

Fund Information (continued)

Ongoing charges figure

	For the period to 30.11.13	For the year to 31.5.13
A Income units	1.66% ¹	1.67%
A Accumulation units	1.66% ¹	1.67%
L Income units	0.84% ¹	–
L Accumulation units	0.84% ¹	–
Z Income units	0.91% ¹	0.92%
Z Accumulation units	0.91% ¹	0.92%

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

Total purchases and sales

	For the period to 30.11.13 £000's	For the year to 31.5.13 £000's
Total purchases	246,275	555,886
Total sales	261,697	643,138

Review of Investment Activities

From 31 May 2013 to 29 November 2013, the price of A Accumulation units on a selling price to selling price basis rose 4.78%. In comparison, from 30 May 2013 to 28 November 2013 the Frank Russell 2500 Index generated a total return of 5.44%¹ in sterling terms. Due to the fund's valuation point, the performance periods for the fund and benchmark are at different dates, however, the information is comparable.

¹ Source: Thomson Reuters Datastream.

The US equity market rose steadily during the period under review, with improving economic data and solid corporate earnings outweighing concerns over when the US Federal Reserve will begin tapering its quantitative easing programme. Towards the end of the period, a last minute Congressional deal to extend the government's debt ceiling moved US equity markets higher. Medium sized US companies produced strong returns and outperformed larger companies over the period under review.

The fund underperformed its benchmark. Overall stock selection, particularly in the consumer discretionary sector, added value. The largest contributor to returns was provider of infotainment systems to automotive manufacturers, Harman International Industries. The stock rose after positive surprises on earnings, revenue and profit margins. The largest detractor from returns was Apartment Investment & Management. The real estate sector lagged the wider market as higher yielding equities fell out of favour. Its most recent earnings report was regarded as solid. There were no material changes in fund composition over the period.

We believe the US economy is in a slow growth phase. However, the portfolio is driven by bottom up analysis and we continue to focus on identifying investment opportunities in areas related to housing, auto manufacturing, as well as those companies that are beneficiaries of the burgeoning energy discoveries in the US.

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:
Jenny Jones

Head of the U.S. Small and Mid Cap Equity team, based in New York

Joined Schroders in 2002 as Head of the US Small Cap Equity. Became responsible for the US SMID cap product upon its launch in 2004

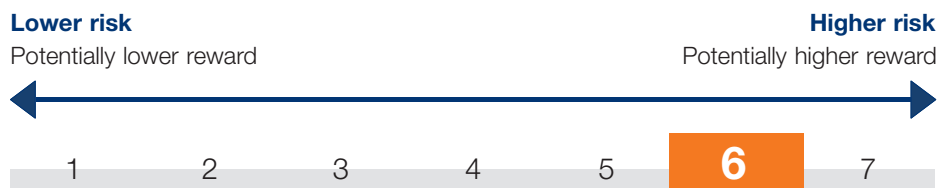
In 1996 she was appointed Senior Vice President at Morgan Stanley Investment Management and became an Executive Director in 2000. From 1990, she was head of the Small Cap Value department at Oppenheimer Capital, L.P. In 1983 she joined Mutual of America Life Insurance Co. as a portfolio manager, having joined Shearson/American Express as a financial consultant in 1982.

Investment career commenced in 1980 when she joined Drexel Burnham as a sales liaison/assistant options strategist

BA (Hons), Yale University. MBA, New York University

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.

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
2008	48.19	31.29	48.19	31.29
2009	50.99	32.60	51.14	32.60
2010	61.36	45.79	61.41	45.82
2011	63.74	47.04	63.79	47.08
2012	63.92	55.70	63.96	55.75
2013 to 30 November	78.03	59.42	78.09	59.47

Year to 31 December	L Income units		L Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	–	–	–	–
2012	–	–	–	–
2013 to 30 November	53.21	50.00	53.21	50.00

Year to 31 December	Z Income units		Z Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
2008	–	–	–	–
2009	–	–	–	–
2010	–	–	–	–
2011	–	–	–	–
2012	51.89	46.96	51.89	46.95
2013 to 30 November	66.28	50.29	66.36	50.32

Net Asset Value and Comparative Tables (continued)

Net revenue

The A Income units, A Accumulation units, L Income units and L 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	0.0303	0.0303
2013 to 30 November	0.0357	0.0326

Net asset value

As at 31 May	Net asset value £000's	Net asset value per unit p	Number of units in issue
2011			
A Income units	254,494	58.66	433,826,007
A Accumulation units	659,202	58.71	1,122,799,344
2012			
A Income units	132,066	57.58	229,360,499
A Accumulation units	656,878	57.63	1,139,908,081
Z Income units	1,778	48.51	3,665,937
Z Accumulation units	4,567	48.54	9,409,753
2013			
A Income units	85,273	73.48	116,049,207
A Accumulation units	724,558	73.54	985,253,068
Z Income units	57,236	62.34	91,813,304
Z Accumulation units	57,220	62.42	91,676,432
2013 at 30 November			
A Income units	62,009	76.31	81,261,869
A Accumulation units	669,463	76.37	876,604,562
L Income units	1	52.23	2,000
L Accumulation units	1	52.23	2,000
Z Income units	77,637	64.98	119,484,065
Z Accumulation units	158,871	65.06	244,198,637

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 30.11.13	Market Value £000's	% of net assets
Bermuda			
Financials 1.63%			
(31.5.13 – 1.45%)			
PartnerRe	251,707	15,817	1.63
		15,817	1.63
Industrials 0.00%			
(31.5.13 – 0.27%)			
Canada			
Materials 0.36%			
(31.5.13 – 0.49%)			
Yamana Gold	621,711	3,446	0.36
		3,446	0.36
Consumer Discretionary 0.78%			
(31.5.13 – 0.65%)			
BRP	459,900	7,558	0.78
		7,558	0.78
Guernsey			
Information Technology 1.35%			
(31.5.13 – 1.34%)			
Amdocs	530,048	13,092	1.35
		13,092	1.35
Ireland			
Financials 0.00%			
(31.5.13 – 0.68%)			
United States			
Energy 2.16%			
(31.5.13 – 4.13%)			
Concho Resources	34,102	2,164	0.22
Denbury Resources	1,126,020	11,466	1.19
Energen	165,498	7,292	0.75
		20,922	2.16

Portfolio Statement (continued)

	Holding at 30.11.13	Market Value £000's	% of net assets
Materials 2.23%			
(31.5.13 – 4.06%)			
Airgas	128,789	8,540	0.88
Crown Holdings	209,340	5,642	0.58
Reliance Steel & Aluminum	164,981	7,405	0.77
		21,587	2.23
Industrials 20.15%			
(31.5.13 – 19.62%)			
AGCO	191,117	6,801	0.70
Applied Industrial Technologies	264,964	7,819	0.81
Berry Plastics Group	784,960	10,274	1.06
Carlisle	155,600	6,981	0.72
Clarcor	128,300	4,738	0.49
Dover	91,599	5,073	0.53
Fortune Brands Home & Security	383,275	10,192	1.05
Hexcel	369,467	9,904	1.02
Ilex	236,040	10,273	1.06
Kennametal	141,029	4,088	0.42
Martin Marietta Materials	64,747	3,813	0.39
Regal Beloit	169,104	7,589	0.79
Republic Services	455,470	9,707	1.00
Ryder System	329,936	14,069	1.46
Sealed Air	789,815	15,487	1.60
Snap-On	237,927	15,423	1.59
Terex	221,700	4,917	0.51
Towers Watson A	70,459	4,844	0.50
Vantiv A	824,020	15,237	1.58
Verisk Analytics	252,954	10,055	1.04
Waste Connections	303,719	8,147	0.84
Xylem	201,700	4,258	0.44
Zebra Technologies A	168,500	5,327	0.55
		195,016	20.15
Consumer Discretionary 17.82%			
(31.5.13 – 17.74%)			
Advance Auto Parts	142,500	8,787	0.91
Alaska Air Group	265,894	12,580	1.30
Bally Technologies	201,477	9,178	0.95
Brunswick	359,800	10,038	1.04

Portfolio Statement (continued)

	Holding at 30.11.13	Market Value £000's	% of net assets
Consumer Discretionary (continued)			
Casey's General Stores	142,762	6,480	0.67
Domino's Pizza	162,470	6,856	0.71
Elizabeth Arden	258,948	6,243	0.65
Fossil Group	174,900	13,591	1.40
Gannett	426,400	7,049	0.73
HanesBrands	272,257	11,649	1.20
Harman International Industries	168,097	8,316	0.86
Jack In The Box	262,123	7,567	0.78
KAR Auction Services	583,300	9,821	1.01
Liberty Media A	32,343	3,029	0.31
LKQ	465,539	9,416	0.97
Rollins	395,379	6,790	0.70
Ross Stores	203,774	9,512	0.98
Six Flags Entertainment	316,626	7,189	0.74
Sotheby's A	217,000	6,789	0.70
Spirit Airlines	112,397	3,144	0.33
Urban Outfitters	356,800	8,504	0.88
		172,528	17.82
Consumer Staples 0.99%			
(31.5.13 – 0.81%)			
WhiteWave Foods A	737,097	9,567	0.99
		9,567	0.99
Health Care 11.27%			
(31.5.13 – 11.18%)			
Carefusion	524,625	12,763	1.32
Dentsply International	189,133	5,491	0.57
Envision Healthcare Holdings	317,942	5,753	0.59
Henry Schein	122,009	8,491	0.88
Life Technologies	339,570	15,697	1.62
Lifepoint Hospitals	156,330	4,887	0.51
Masimo	194,676	3,398	0.35
Parexel International	411,504	10,345	1.07
Quintiles Transnational Holdings	290,872	7,673	0.79
Salix Pharmaceuticals	207,162	10,726	1.11
Santarus	21,200	416	0.04
Sirona Dental Systems	164,533	6,910	0.71
Universal Health Services B	275,379	13,858	1.43

Portfolio Statement (continued)

	Holding at 30.11.13	Market Value £000's	% of net assets
Health Care (continued)			
Wright Medical Group	147,891	2,690	0.28
		109,098	11.27

Financials 12.68%			
(31.5.13 – 12.50%)			
Affiliated Managers Group	58,248	7,120	0.74
Apartment Investment & Management A	758,119	11,612	1.20
Commerce Bancshares	282,135	7,766	0.80
Cullen Frost Bankers	130,675	5,728	0.59
Douglas Emmett	284,015	3,983	0.41
First Horizon National	635,616	4,350	0.45
First Republic Bank	151,064	4,712	0.49
HCC Insurance Holding	374,721	10,516	1.09
Health Care REIT	48,369	1,654	0.17
Huntington Bancshares	1,842,154	10,312	1.07
Pennymac Mortgage Investment Trust	417,414	5,749	0.59
ProAssurance	251,900	7,384	0.76
Raymond James Financial	245,141	7,206	0.75
Reinsurance Group of America	163,831	7,494	0.77
Torchmark	127,621	5,923	0.61
UNUM Group	364,098	7,462	0.77
W.R. Berkley	344,785	9,217	0.95
Zions Bancorp	254,644	4,559	0.47
		122,747	12.68

Information Technology 12.74%			
(31.5.13 – 11.00%)			
Arrow Electronics	327,074	10,249	1.06
Atmel	1,362,579	6,363	0.66
Avnet	394,944	9,618	0.99
CDW Corporation	459,500	6,247	0.65
CoreLogic	181,600	3,905	0.40
Gartner	164,556	6,495	0.67
Integrated Device Technology	857,704	5,189	0.54
JDS Uniphase	683,313	5,064	0.52
Linear Technology	322,565	8,379	0.87
Microchip Technology	223,800	5,915	0.61
MICROS Systems	225,800	7,406	0.76

Portfolio Statement (continued)

	Holding at 30.11.13	Market Value £000's	% of net assets
Information Technology (continued)			
Molex	192,505	4,541	0.47
Pitney Bowes	247,800	3,505	0.36
Premier	323,336	6,486	0.67
PTC	655,013	13,000	1.34
Synopsys	351,446	7,857	0.81
Verisign	378,478	13,138	1.36
		123,357	12.74
Telecommunication Services 0.72%			
(31.5.13 – 0.71%)			
SBA Communications	133,947	6,960	0.72
		6,960	0.72
Utilities 4.01%			
(31.5.13 – 3.41%)			
Laclede Group	268,300	7,546	0.78
NorthWestern	413,900	11,100	1.15
Oil States International	73,269	4,575	0.47
Portland General Electric	326,242	5,935	0.62
Questar	260,673	3,582	0.37
Westar Energy	314,900	6,029	0.62
		38,767	4.01
US Dollar Denominated Derivatives 0.07%			
(31.5.13 – 0.06%)			
Russell 2000 Mini Futures December 2013	117	364	0.04
S&P 400 EMINI Futures December 2013	166	256	0.03
		620	0.07
Portfolio of Investments		861,082	88.96
Net other assets		106,900	11.04
Net assets attributable to unitholders		967,982	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 30 November 2013	Cost £000's
Fossil Group	15,104
NorthWestern	11,517
Brunswick	8,871
Urban Outfitters	8,330
Advance Auto Parts	8,279
ProAssurance	7,304
SHFL Entertainment	7,244
Gannett	6,903
Westar Energy	6,116
W.R. Berkley	5,867

Largest sales

For the six months ended 30 November 2013	Proceeds £000's
Gardner Denver	14,768
Brinker International	11,145
Cleco	9,760
Ross Stores	9,530
MRC Global	9,353
Childrens Place Retail Store	9,172
Towers Watson A	8,268
Armstrong World Industries	7,788
Hillenbrand	7,312
Sally Beauty Holdings	7,306

Statement of the Manager's Responsibilities

The Financial Conduct 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 expenses 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 30 November 2013 were signed on 17 January 2014 on behalf of the Manager by:

C.E. Helmstetter
Directors

J.M. Cardew

Statement of Total Return (unaudited)

For the six months ended 30 November 2013

	30.11.13		30.11.12	
	£000's	£000's	£000's	£000's
Income				
Net capital gains		38,743		15,999
Revenue	4,931		4,646	
Expenses	(7,132)		(6,439)	
Net expenses before taxation	(2,201)		(1,793)	
Taxation	(683)		(623)	
Net expenses after taxation		(2,884)		(2,416)
Total return before distributions		35,859		13,583
Finance costs: Distributions		2		14
Change in net assets attributable to unitholders from investment activities		35,861		13,597

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

For the six months ended 30 November 2013

	30.11.13		30.11.12	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		924,287 ¹		795,289
Amounts receivable on creation of units	65,533		84,207	
Amounts payable on cancellation of units	(57,699)		(121,282)	
		7,834		(37,075)
Change in net assets attributable to unitholders from investment activities		35,861		13,597
Closing net assets attributable to unitholders		967,982		771,811¹

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 30 November 2013

	30.11.13		31.5.13	
	£000's	£000's	£000's	£000's
Assets				
Investment assets		861,082		832,765
Debtors	2,777		13,256	
Cash and bank balances	113,130		91,813	
Total other assets		115,907		105,069
Total assets		976,989		937,834
Liabilities				
Creditors	(9,007)		(9,292)	
Bank overdrafts	0		(4,222)	
Distribution payable on Z Income units	0		(33)	
Total other liabilities		(9,007)		(13,547)
Total liabilities		(9,007)		(13,547)
Net assets attributable to unitholders				
		967,982		924,287

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 31 May 2013 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 Conduct Authority

Investment Adviser

Schroder Investment Management North America Inc.
875 Third Avenue
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New York
NY 10022-6225
USA
Registered with the Securities and Exchange
Commission of the United States of America

Trustee

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Depositary Company Limited
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the Financial Conduct Authority

Registrar¹

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Independent Auditors

PricewaterhouseCoopers LLP
Erskine House
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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.

Other information

With effect from 1 October 2013 the minimum initial investment for Z Income units and Z Accumulation units decreased from £3 million to £1 million.

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**.



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.



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