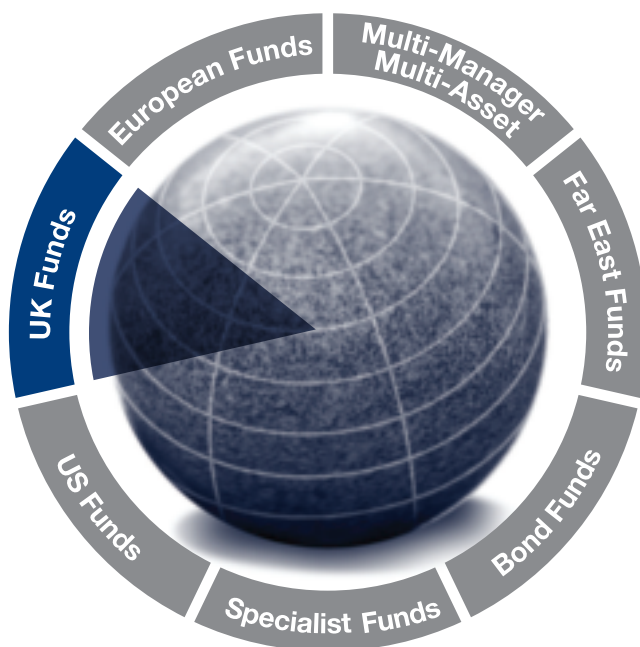


Schroder

UK Mid 250 Fund

Interim Short Report

1 August 2013 to 31 January 2014



Schroders

Schroder UK Mid 250 Fund

Review of Investment Activities

From 31 July 2013 to 31 January 2014 the price of A Accumulation units on a selling price to selling price basis rose 10.34%. In comparison, the fund's benchmark, the FTSE 250 ex Investment Trust Index generated a total return of 7.49%¹. The FTSE All Share Index generated a total return of 1.09%¹ over the same period.

¹ Source: Thomson Reuters Datastream.

The UK equity market continued to move upwards during the six months under review, as investors sought investment in businesses with the potential to benefit from the broader economic upturn. Stocks such as Grainger, the residential landlord, rose strongly as sentiment towards the housing market improved, while others, including Findel, moved higher as self help initiatives began to gain traction. Corporate activity was also a salient feature of the fund's outperformance. Both Telecom Plus and Pace were involved in earnings enhancing deals, which were welcomed by investors and resulted in higher share prices.

The strong performance of the market allowed us to take profits in companies where share prices performed strongly, and reinvest proceeds into businesses that we believe have the potential to outperform. We trimmed the holding in Sports Direct International, and sold Synthomer, Premier Farnell and Invensys. We added to the fund's holding in Brown (N.) Group, the mail order clothing business, and established a position in Fisher (James) & Sons, the specialised marine support services firm.

Medium sized companies have continued to outperform the broader UK equity market. The strong performance over 2013 came despite corporate earnings falling, with valuations driven up by inflows from cash and bonds. In 2014 we believe the long awaited earnings recovery is required to sustain current valuations, and leading economic indicators are supportive. We continue to base our investment decisions on the concept of pricing power, looking for demand that outstrips supply, attractive assets, strong business models and top line growth potential.



Fund Manager:
Andrew Brough

Fund Information

	Interim	Final
Accounting dates	31 January	31 July
Revenue allocation date		30 September

	For the period to 31.1.14	For the year to 31.7.13
Ongoing charges figure		
A Income units	1.66% ¹	1.66%
A Accumulation units	1.66% ¹	1.66%
L Income units	0.83% ¹	–
L Accumulation units	0.83% ¹	–
Z Income units	0.91% ¹	0.91%
Z Accumulation units	0.91% ¹	0.91%

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

Performance Record

	Net Asset Value as at 31.1.14 pence per unit	Net Asset Value as at 31.7.13 pence per unit	Net Asset Value % change
Fund performance			
A Income units	189.91	171.94	10.45
A Accumulation units	220.50	199.62	10.46
L Income units	55.32	–	–
L Accumulation units	55.32	–	–
Z Income units	93.34	84.18	10.88
Z Accumulation units	95.72	86.32	10.89

	3 months	6 months	5 years
Schroder UK Mid 250 Fund	4.14%	10.34%	193.14%
FTSE 250 ex Investment Trust Index	2.12%	7.49%	207.35%
FTSE All Share Index	(1.97)%	1.09%	100.91%

Fund Source: A Accumulation units on a selling price to selling price basis to 31.1.14.

Indices Source: Thomson Reuters Datastream, total return to 31.1.14.

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				
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	191.00	136.60	221.70	157.70
2014 to 31 January	198.90	187.80	231.10	218.00

	L Income units		L Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
Year to 31 December				
2009	–	–	–	–
2010	–	–	–	–
2011	–	–	–	–
2012	–	–	–	–
2013	55.58	49.11	55.58	49.11
2014 to 31 January	57.94	54.71	57.94	54.71

	Z Income units		Z Accumulation units	
	Highest buying p	Lowest selling p	Highest buying p	Lowest selling p
Year to 31 December				
2009	–	–	–	–
2010	–	–	–	–
2011	50.88	45.80	50.88	45.80
2012	66.39	49.05	67.31	49.05
2013	93.80	67.01	96.19	67.93
2014 to 31 January	97.76	92.29	100.20	94.65

Performance Record (continued)

Net revenue		
Year to 31 December	A Income units pence per unit	A Accumulation units pence per unit
2009	1.2792	1.4228
2010	0.7470	0.8468
2011	0.6719	0.7623
2012	1.2314	1.4074
2013	0.8983	1.0397
2014 to 31 January	Nil	Nil

The L Income units and the L Accumulation units have made no distributions to date.

	Z Income units pence per unit	Z Accumulation units pence per unit
Year to 31 December		
2009	–	–
2010	–	–
2011	Nil	Nil
2012	0.7748	0.7748
2013	0.9631	0.9809
2014 to 31 January	Nil	Nil

Portfolio Information

	% of net assets as at 31.1.14	% of net assets as at 31.7.13
Spread of investments		
Oil & Gas	5.59	4.83
Basic Materials	5.61	6.68
Industrials	23.45	22.56
Consumer Goods	5.72	3.65
Health Care	2.60	2.25
Consumer Services	22.33	28.27
Telecommunications	5.07	4.24
Financials	14.04	11.53
Technology	12.04	12.34
Net other assets	3.55	3.65

	% of net assets as at 31.1.14		% of net assets as at 31.7.13
Major holdings			
Grainger	5.48	Sports Direct International	8.50
CSR	5.23	CSR	5.22
Pace	5.04	Grainger	4.80
Atkins (WS)	4.07	Pace	4.66
Bovis Homes Group	3.42	Atkins (WS)	4.57
Daily Mail & General Trust A Non-Voting	3.32	Bovis Homes Group	3.65
Halma	3.19	Victrex	3.26
Victrex	3.02	Halma	3.25
Sports Direct International	2.91	Ultra Electronics Holdings	3.19
Ultra Electronics Holdings	2.84	Premier Oil	3.11



Investment Objective & Policy

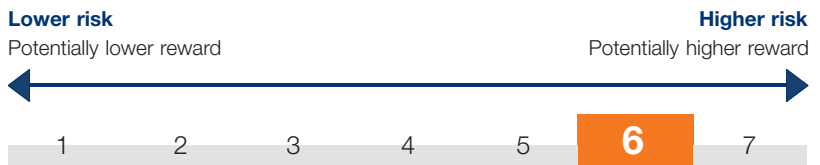
The fund's investment objective is to achieve long term capital growth by investing principally in companies listed in the FTSE 250 Index.

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.

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 period ended 31 January 2014. 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 1 October 2013 the minimum initial investment for Z Income units and Z Accumulation units decreased from £3 million to £1 million.

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.

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, or visit our website at www.schroders.co.uk.

