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¹ Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

Schroder UK Smaller Companies Fund (the 'Fund') aims to provide capital growth in excess of the FTSE UK Series Small Cap ex Investment Trusts (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of small-sized UK companies.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of small-sized UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK and, at the time of purchase, are similar in size to those comprising the bottom 10% by market capitalisation of the UK equities market.

The small cap universe is an extensive, diverse and constantly changing area of the UK market. Smaller companies offer investors exposure to some niche growth areas that, often, cannot be accessed through large companies. They also tend to grow more rapidly than larger firms.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus).

Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the FTSE UK Series Small Cap ex Investment Trusts (Gross Total Return) index, and compared against the Investment Association UK Smaller Companies sector average return. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager and the Manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Total purchases and sales

	For the period to 30.11.22 £000's	For the year to 31.5.22 £000's
Total purchases	4,373	73,356
Total sales	32,598	113,586

Fund Performance

	Number of units in issue 30.11.22	Net asset value per unit 30.11.22	Net asset value per unit 31.5.22
A Accumulation units	3,438,869	4,041.81p	4,516.67p
A Income units	133,642	2,980.97p	3,331.21p
S Income units	8,550,309	75.15p	83.49p
Z Accumulation units	124,141,465	148.27p	165.06p
Z Income units	20,704,153	134.69p	149.93p

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Review of Investment Activities

From 31 May 2022 to 30 November 2022, the price of A Accumulation units on a dealing price basis fell 10.50%. In the same period, the FTSE¹ UK Series Small Cap ex Investment Trusts index generated a negative total return of 10.11%².

The resilience of the broader UK equity market masked a sharp underperformance of small cap equities over the period. The valuations of many fast-growing companies in new and emerging industries came under intense pressure due to rising interest rates. Meanwhile, the domestically exposed UK small cap equities have been doubly exposed to rising rates, which are squeezing consumers already struggling to cope with inflation.

Photobooth operator ME Group International was a top contributor, being a consumer focused group to post very strong results, which underlined its ability to navigate a very tough operating environment. Other top contributors included cosmetics supplier Warpaint London and low carbon intensity gas producer Kistos which performed well as a result of higher gas prices. On the negative side, mobile advertising platform provider Tremor International detracted, as did not owning RPS after the professional services business attracted multiple bid approaches. Education technology business RM Group was another detractor following disappointing results. We took profits on a number of our holdings which have performed well. We exited fashion retailer Ted Baker following a bid approach.

We're focussed on the degree to which bad news has already been priced in, and discerning between different companies with differing abilities to cope with the challenges ahead. There are plenty of these well-run businesses with market-leading positions in new and emerging industries which the market is struggling to see objectively at present.

**Fund Manager:
Andrew Brough**



Andrew is Head of our Pan European Small and Mid Cap Team

His investment career commenced in 1987 when he joined Schroders as a UK equity fund manager, becoming Co-Head of our UK Small Cap Team in 2002

He joined Price Waterhouse in 1985, where he qualified as a Chartered Accountant

Degree in Economics

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² Source: Refinitiv Eikon Datastream.

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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'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.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Statement of the Manager's Responsibilities

The Financial Conduct Authority's Collective Investment Schemes sourcebook 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 revenue and the net capital losses 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 UK Authorised Funds issued by the Investment Management Association (now the Investment Association) in May 2014;
- 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;
- make judgements and estimates that are prudent and reasonable.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the Collective Investment Schemes sourcebook, 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 2022 were signed on 25 January 2023 on behalf of the Manager by:

J. Rainbow
Directors

A. O'Donoghue

Portfolio Statement

	Holding at 30.11.22	Market Value £000's	% of net assets		Holding at 30.11.22	Market Value £000's	% of net assets
Equities 96.84% (98.09%)				Basic Materials 3.89% (3.62%)			
Ecora Resources	5,700,000	8,117	2.25	Bonhill Group*	10,349,149	569	0.16
Tungsten West*	7,300,000	1,204	0.33	Foresight Group Holdings	516,086	1,734	0.48
Zotefoams	1,556,994	4,749	1.31	Funding Circle Holdings	1,265,156	669	0.19
		14,070	3.89	George Scarr-Hall Investments	12	592	0.16
Consumer Discretionary 29.95% (29.85%)				Insig AI*	2,238,805	381	0.11
All Things Considered	1,058,300	900	0.25	International Personal Finance	2,786,605	2,168	0.60
Autins Group*	7,433,257	595	0.16	NFT Investments	26,678,436	240	0.07
Dignity	884,912	3,274	0.91	Peel Hunt*	1,644,737	1,349	0.37
GlobalData*	880,000	10,560	2.92	Record	89,662	80	0.02
Guild Esports	8,947,500	121	0.03	Team*	2,069,284	1,138	0.31
Hostelworld Group	958,048	975	0.27	XPS Pensions Group	2,500,000	3,600	1.00
Lookers	6,185,056	4,923	1.36			18,922	5.24
Lords Group Trading*	4,088,000	3,025	0.84	Health Care 3.30% (2.80%)			
ME Group International	10,989,998	11,375	3.15	Eco Animal Health Group*	2,370,619	2,276	0.63
Merit Group*	1,239,030	496	0.14	EKF Diagnostics Holdings*	5,600,000	2,357	0.65
MJ Gleeson	1,770,000	6,372	1.76	e-Therapeutics*	14,190,000	3,193	0.88
MusicMagpie*	2,362,694	444	0.12	Spire Healthcare Group	1,750,000	4,025	1.11
N Brown Group*	19,355,945	4,258	1.18	Verici Dx*	774,291	93	0.03
Patisserie Holdings^	3,600,000	0	0.00			11,944	3.30
Pendragon	23,625,771	6,615	1.83	Industrials 27.92% (28.87%)			
Quiz*	5,500,000	825	0.23	Avon Protection	332,104	3,414	0.94
Reach	3,153,043	3,468	0.96	Carclo	5,574,017	752	0.21
RM	5,260,000	2,314	0.64	Cohort*	2,112,752	8,662	2.40
Shoe Zone*	3,550,000	6,568	1.82	CPP Group*	156,000	172	0.05
Sportech*	2,427,145	451	0.13	De La Rue	2,562,893	2,060	0.57
Studio Retail Group^	2,576,333	0	0.00	Dialight	1,350,000	3,780	1.05
STV Group	1,293,873	3,338	0.92	DX Group*	10,146,441	2,638	0.73
TheWorks.co.uk	4,766,790	1,573	0.44	Equals Group*	6,893,333	6,204	1.72
Tremor International*	4,900,000	15,553	4.30	Esken	15,386,580	846	0.23
UP Global Sourcing Holdings PL	4,651,148	6,372	1.76	Ilika*	3,836,772	1,151	0.32
Warpaint London*	4,800,000	8,736	2.42	Impellam Group*	715,000	4,290	1.19
Wilmington	1,813,497	5,078	1.41	Invinity Energy Systems*	7,417,288	1,632	0.45
		108,209	29.95	Invinity Energy Systems Warrant 15/09/2022	891,749	1	0.00
Consumer Staples 1.77% (1.56%)				Invinity Energy Systems Warrant 16/12/2024	891,749	1	0.00
Accrol Group Holdings*	23,300,000	6,384	1.77	James Fisher & Sons	458,809	1,528	0.42
		6,384	1.77	Keller Group	763,257	5,595	1.55
Energy 3.57% (5.38%)				Mercantile Ports and Logistics*	2,732,870	219	0.06
AFC Energy*	6,800,000	1,432	0.40	Midwich Group*	131,903	567	0.16
Atome Energy*	768,975	884	0.24	Mpac Group*	1,912,000	4,474	1.24
EnQuest	23,753,231	5,689	1.57	NAHL Group*	3,189,686	1,104	0.30
Kistos*	870,000	4,002	1.11	PayPoint	360,567	1,936	0.53
Molecular Energies*	303,334	446	0.12	Pressure Technologies*	2,520,491	756	0.21
Pod Point Group Holdings	700,000	462	0.13	RBG Holdings*	1,386,260	1,150	0.32
		12,915	3.57	Redde Northgate	1,200,000	4,512	1.25
Financials 5.24% (4.93%)				Ricardo	615,244	2,732	0.76
Appreciate Group*	9,500,000	3,952	1.09				
AQRU	51,900,000	311	0.09				
Aquis Exchange*	509,299	2,139	0.59				

Portfolio Statement (continued)

	Holding at 30.11.22	Market Value £000's	% of net assets		Holding at 30.11.22	Market Value £000's	% of net assets
Speedy Hire	11,000,000	4,543	1.26	Blanco Technology Group#	2,599,940	4,420	1.22
Staffline Group#	6,818,149	2,659	0.74	CentralNic Group#	4,500,000	5,805	1.61
Thruvision Group#	6,680,351	1,470	0.41	Gresham Technologies	3,133,000	5,232	1.45
Trifast	5,520,024	3,345	0.92	Mirriad Advertising#	2,250,000	164	0.05
Videndum	679,118	8,109	2.24	NCC Group	5,200,000	11,076	3.07
Wincanton	1,815,000	6,734	1.86	Oxford Metrics#	2,600,000	2,288	0.63
Xaar	6,755,000	13,848	3.83	Samarkand Group	2,652,554	1,061	0.29
		100,884	27.92	Shearwater Group#	1,319,321	1,253	0.35
Real Estate 3.36% (3.59%)				Sivota	623,875	655	0.18
Helical	1,950,000	6,533	1.81	Smooove#	6,835,816	2,529	0.70
Henry Boot	1,534,182	3,590	0.99	Tracsis#	882,000	8,291	2.29
OnTheMarket#	2,908,578	2,036	0.56	Tribal Group#	6,000,000	3,240	0.90
Raven Property Group^	9,600,000	0	0.00	TT Electronics	1,900,000	3,158	0.87
		12,159	3.36			64,456	17.84
Technology 17.84% (17.49%)				Equities total		349,943	96.84
ActiveOps	1,494,517	1,046	0.29	Portfolio of investments		349,943	96.84
Albert Technologies#^	6,221,841	0	0.00	Net other assets		11,405	3.16
Aptitude Software Group	2,450,000	8,600	2.38	Net assets attributable to unitholders		361,348	100.00
Big Technologies	2,160,000	5,638	1.56				

The comparative percentage figures in brackets are as at 31 May 2022.

Unless otherwise stated, all securities are admitted to official stock exchange listings.

Security traded on another regulated market.

^ Unlisted, suspended or delisted security.

Statement of Total Return (unaudited)

For the six months ended 30 November 2022

	30.11.22		30.11.21	
	£000's	£000's	£000's	£000's
Income				
Net capital losses		(46,120)		(62,889)
Revenue	4,946		4,211	
Expenses	(2,320)		(3,787)	
Net revenue before taxation	2,626		424	
Taxation	(21)		-	
Net revenue after taxation		2,605		424
Total return before distributions		(43,515)		(62,465)
Distributions		(92)		(20)
Change in net assets attributable to unitholders from investment activities		(43,607)		(62,485)

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

For the six months ended 30 November 2022

	30.11.22		30.11.21	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		432,549 [^]		627,525
Amounts receivable on issue of units	4,043		22,832	
Amounts payable on cancellation of units	(31,637)		(44,137)	
		(27,594)		(21,305)
Change in net assets attributable to unitholders from investment activities		(43,607)		(62,485)
Closing net assets attributable to unitholders		361,348		543,735[^]

[^] 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 2022

	30.11.22	31.5.22
	£000's	£000's
Assets		
Investments	349,943	424,288
Current assets		
Debtors	637	3,302
Cash and bank balances	11,882	6,217
Total assets	362,462	433,807
Liabilities		
Creditors		
Distributions payable	-	(251)
Other creditors	(1,114)	(1,007)
Total liabilities	(1,114)	(1,258)
Net assets attributable to unitholders	361,348	432,549

Notes to the Accounts (unaudited)

Accounting policies

Basis of preparation

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 UK Authorised Funds issued by the Investment Management Association in May 2014 and in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 (The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)). The accounts have been prepared on a going concern basis.

The accounting policies applied are consistent with those of the annual accounts for the year ended 31 May 2022 and are described in those annual accounts.

General Information

Manager

Schroder Unit Trusts Limited
1 London Wall Place
London EC2Y 5AU
Authorised and regulated by the Financial Conduct Authority

Investment Adviser

Schroder Investment Management Limited
1 London Wall Place
London EC2Y 5AU
Authorised and regulated by the Financial Conduct Authority

Trustee

J.P. Morgan Europe Limited
Chaseside
Bournemouth BH7 7DA
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority

Registrar

Schroder Unit Trusts Limited
1 London Wall Place
London EC2Y 5AU
Authorised and regulated by the Financial Conduct Authority
The Manager is responsible for maintaining the register for each Fund. It has delegated certain registrar functions to HSBC Bank Plc, 8 Canada Square, London, E14 8HQ.

Administration Details

Schroders Investor Services
PO BOX 1402
Sunderland
SR43 4AF

Independent Auditors

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Authorisation

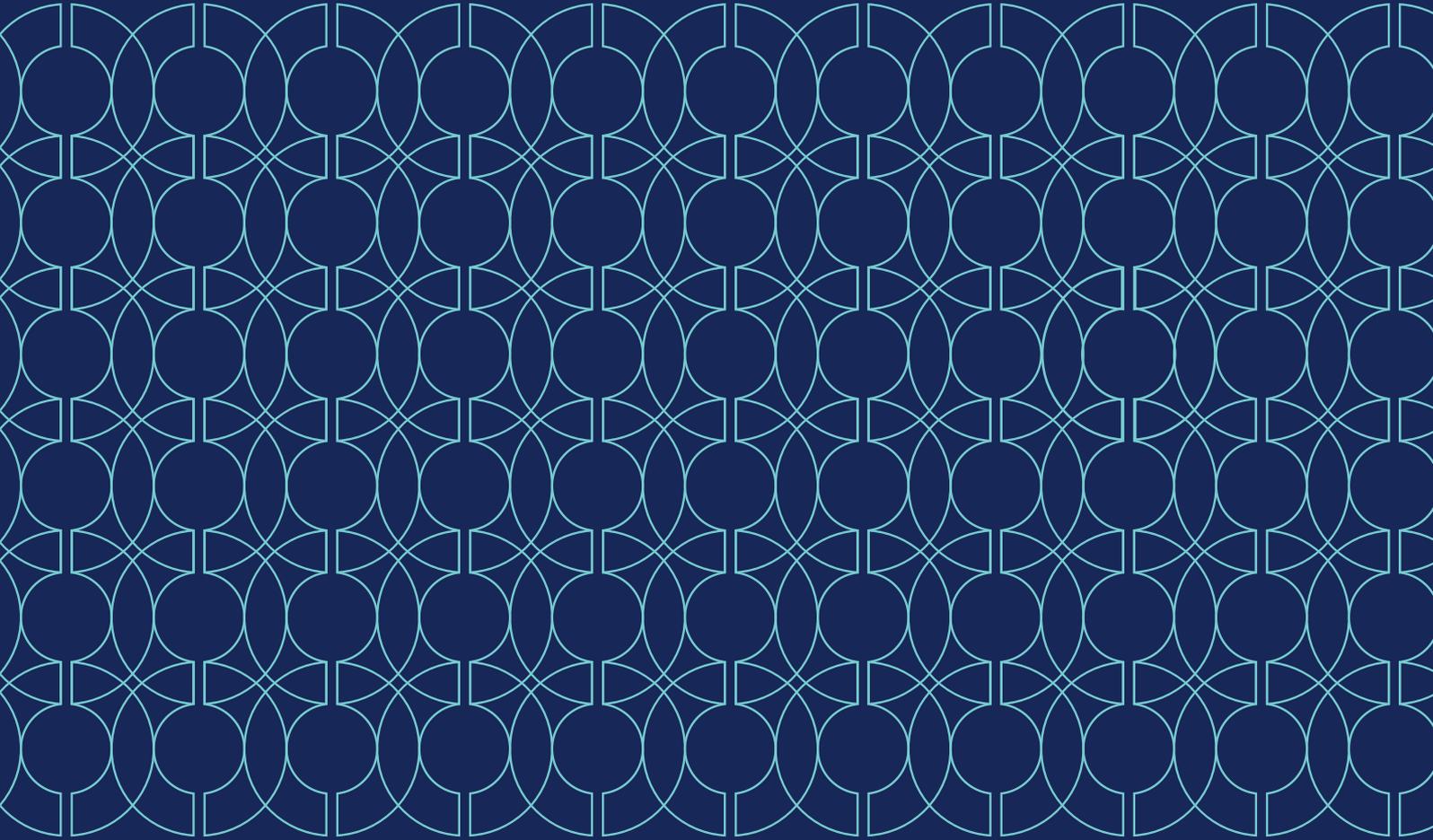
The Fund is an authorised unit trust and is constituted pursuant to the Collective Investment Schemes sourcebook and is structured as a Trust. The Fund is a UCITS scheme for the purpose of the categorisation of the Collective Investment Schemes sourcebook.

Value Assessment

A statement on the Assessment of Value is published on the Global Fund Centre in the Fund Literature section at www.Schroders.com within 4 months of the annual 'reference date' 31 December.

Other information

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.com.



EST. 1804

For further literature please contact Schroder Investor Services on 0800 182 2399 or schrodersinvestor@HSBC.com for Retail Clients, or 0345 030 7277 or schrodersinstitutional@HSBC.com for Institutional Clients, or visit our website at www.schroders.com.

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