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<sup>1</sup> Collectively these comprise the Manager's report.

# Fund Information

## Investment objective and policy

Schroder US Smaller Companies Fund (the 'Fund') aims to provide capital growth in excess of the Russell 2000 Lagged (Net 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 US companies.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of small-sized US companies. These are companies that, at the time of purchase, are similar in size to those comprising the bottom 20% by market capitalisation of the North American equity market. The Fund may invest in small-sized Canadian companies.

The small cap universe is an extensive, diverse and constantly changing area of the North American market. The Investment Manager believes 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 companies.

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 and managing the Fund more efficiently (for more information please refer to section 6 of Appendix 2 of the Prospectus).

## Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the Russell 2000 Lagged (Net Total Return) index, and compared against the Investment Association North American 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 31.10.24 £000's	For the year to 30.4.24 £000's
Total purchases	187,012	217,919
Total sales	183,340	259,083

# Fund Performance

	Number of units in issue 31.10.24	Net asset value per unit 31.10.24	Net asset value per unit 30.4.24
A Accumulation units	3,078,850	4,372.27p	4,172.23p
A Income units	65,613	4,372.10p	4,172.13p
S Accumulation units	1,834,011	153.15p	145.32p
S Income units	2,289,703	146.35p	138.87p
Z Accumulation units	154,276,195	193.85p	184.32p
Z Income units	154,597,136	191.52p	182.07p

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 30 April 2024 to 31 October 2024 the price of Z Accumulation units on a dealing price basis increased by 3.54%. In comparison, from 29 April 2024 to 30 October 2024, the Frank Russell 2000 Index generated a net total return of 7.37%<sup>1</sup> in sterling terms. Due to the Fund's valuation point, the performance periods for the Fund and the benchmark are at different dates, however, the information is comparable.**

Small and mid-caps (SMIDs) underperformed large caps over the period, but the market environment started to shift in the third quarter. SMIDs ended the quarter outperforming large caps after a long cycle of underperformance and continued this run through the end of October. July was a very strong month for smaller companies as lower inflation numbers in June provided clarity around the path of interest rates. The market assumed better inflation numbers will mean lower future interest rates, which benefits SMIDs due to their higher funding costs including a propensity to issue more floating rate borrowing. As the period continued, the odds of a soft landing increased, and the Federal Reserve (Fed) signaled potential rate cuts in response to economic risks. This led to modest performance in September as the actual 50 basis points rate cut that was announced had already been priced in, rounding off a strong quarter.

We underperformed the benchmark over the period. ICU Medical, which develops, manufactures and sells medical technologies, was the top performer over the period. The company reported Q2 revenues and earnings per share (EPS) above expectations and management raised its EPS guidance for the rest of the year. Lumentum Holdings provides optical and photonic products. The company reported results above management guidance and consensus estimates due to record orders for datacom chips that are used in datacom applications. Stericycle specialises in collecting and disposing regulated medical waste. The company announced that it was to be acquired by Waste Management for \$7.2 billion.

The most significant detractor was LiveRamp Holdings. The company provides an enterprise data connectivity platform that helps organizations to leverage customer data. Google announced they were moving away from cookies and moving into a system called Privacy Sandbox, which will replace the ad tracking and measurement functions of the cookie. LiveRamp had built a new generation of identity tools without cookies, but there is a shortfall in adoption of these toolsets in the near term. Janus International manufactures, supplies and provides turn-key self-storage, commercial and industrial building solutions. Quarterly results fell below expectations, driven by a decline across both self-storage and commercial as continued pressure from elevated rates weighed on end-market demand. Orion produces and supplies carbon black. The company reported Q2 EPS and guidance below consensus as rubber demand cooled. Additionally, the company announced that it will lose out on around \$60 million after it was targeted by a criminal wire fraud scheme.

The environment remains positive for equities and there are indications that the market can continue to broaden out its performance into 2025 in favour of SMIDs. Looking forward, risk appetite will be helped by the Fed's interest rate easing path in-line with further traction on disinflation, combined with a stable labour market and healthy consumer spending. If lower interest rates light the fuse for better small and mid-cap performance, it is an inflection to superior earnings growth relative to large caps in the months ahead that will keep the fuse burning. The gap in earnings and revenue growth between large caps and small and mid-caps is set to narrow with earnings coming in better by the Q4 reporting season. A resilient US economy supports more domestically based SMIDs that in some cases are just starting to experience the benefits of fiscal initiatives like the Inflation Reduction Act as well as the spill over of the artificial intelligence capital expenditure boom.

**Fund Manager:**  
**Robert Kaynor, CFA**



Robert Kaynor was appointed as Head of US Small & Mid Cap Equities and sole portfolio manager in April 2019

Prior to this Robert was Co-Portfolio Manager and US Small and Mid Cap Research Director. Along with managing the portfolios his coverage included a variety of industries in the consumer, producer durables and materials sectors. Robert joined Schroders as a Senior Equity Analyst for the US Small and Mid Cap team covering the consumer sector in January 2013 and is based in New York

Prior to joining Schroders, Robert was chief investment officer and managing member of Ballast Capital Group, a fundamental long/short manager. From 2003 to 2010, Robert was a managing director with Ramius Capital Group, a multi-strategy hedge fund focused primarily on non-directional strategies. Robert managed the long short equity strategy for Ramius and grew the product from USD \$100 million to \$700 million during his tenure

Prior to that he was with Barbary Coast Capital Management from 2000 to 2003 and co-managed a long-short equity hedge fund focused on small and mid cap equities

Robert began his career with RCM Capital (1994-2000), working exclusively on a US small cap long-only product. Robert has extensive experience in long only and long/short strategies, with a specific focus on in depth fundamental research. A substantial portion of his career has been spent managing small and mid cap equity portfolios

Qualifications: CFA Charterholder; BSc in Economics with Financial Applications from Southern Methodist University

<sup>1</sup> Source: LSEG Workspace.

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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/en-lu/lu/professional/literature/key-investor-information-documents/](http://www.schroders.com/en-lu/lu/professional/literature/key-investor-information-documents/).

# Statement of the Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual and interim accounting period which give a true and fair view of the financial position of the Fund and of the net revenue and the net capital gains on the property of the Fund for the period.

In preparing the accounts the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so;
- such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the COLL Rules.

The Manager is responsible for the maintenance and integrity of the corporate and financial information included on its website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**A. O'Donoghue**

Directors

17 December 2024

**R. Lamba**

# Portfolio Statement

	Holding at 31.10.24	Market Value £000's	% of net assets
<b>Equities 96.87% (96.82%)</b>			
<b>Communication Services 3.80% (3.18%)</b>			
Criteo ADR Preference	214,217	5,567	0.75
IAC	169,627	6,386	0.87
Iridium	417,337	9,618	1.30
Stagwell A	1,324,993	6,493	0.88
		<b>28,064</b>	<b>3.80</b>
<b>Consumer Discretionary 8.42% (8.01%)</b>			
Cavco Industries	36,303	11,712	1.58
Fox Factory Holding	219,593	6,253	0.85
Group 1 Automotive	38,934	11,125	1.51
Malibu Boats A	128,901	4,441	0.60
Oxford Industries	95,262	5,423	0.73
Patrick Industries	49,194	4,938	0.67
PVH	74,422	5,697	0.77
Sonos	680,880	6,631	0.90
Steven Madden	171,177	5,978	0.81
		<b>62,198</b>	<b>8.42</b>
<b>Consumer Staples 2.85% (3.22%)</b>			
Chefs' Warehouse	277,422	8,577	1.16
Darling Ingredients	220,646	6,779	0.92
Primo Water	280,432	5,743	0.77
		<b>21,099</b>	<b>2.85</b>
<b>Energy 2.85% (3.92%)</b>			
Cactus A	133,659	6,209	0.84
Matador Resources	161,495	6,544	0.89
Permian Resources A	782,793	8,293	1.12
		<b>21,046</b>	<b>2.85</b>
<b>Financials 19.93% (15.17%)</b>			
Axis Capital Holdings	139,404	8,657	1.17
Bowhead Specialty Holdings	255,845	5,771	0.78
Compass Diversified Holdings	516,516	8,746	1.18
Encore Capital Group	153,283	5,515	0.75
First BanCorp	466,495	7,057	0.96
First Merchants	199,989	5,821	0.79
Houlihan Lokey A	81,552	10,959	1.48
Kemper	372,502	18,175	2.46
P10 A	559,533	4,844	0.66
Pacific Premier Bancorp	330,143	6,633	0.90

	Holding at 31.10.24	Market Value £000's	% of net assets
Perella Weinberg Partners A	828,263	12,943	1.75
QCR Holdings	105,144	6,573	0.89
Reinsurance Group of America	50,931	8,420	1.14
Seacoast Banking	429,786	9,013	1.22
SouthState	112,745	8,655	1.17
TriCo Bancshares	195,046	6,589	0.89
United Community Banks	295,015	6,657	0.90
Veritex Holdings	292,790	6,192	0.84
		<b>147,220</b>	<b>19.93</b>
<b>Health Care 11.45% (12.82%)</b>			
Evolus	703,749	8,868	1.20
Haemonetics	186,577	10,417	1.41
ICU Medical	163,663	21,950	2.97
Intra-Cellular Therapies	138,661	9,318	1.26
iRhythm Technologies	73,062	4,125	0.56
Natera	76,565	7,270	0.98
NeoGenomics	738,074	7,681	1.04
Phreesia	337,025	4,792	0.65
US Physical Therapy	160,681	10,165	1.38
		<b>84,586</b>	<b>11.45</b>
<b>Industrials 20.72% (21.95%)</b>			
Albany International A	137,270	7,220	0.98
Enpro	84,872	9,692	1.31
ESCO Technologies	149,660	14,804	2.00
Hayward Holdings	827,957	10,613	1.44
Helios Technologies	177,462	6,460	0.88
Hexcel	260,427	12,026	1.63
Interface A	158,516	2,170	0.29
Janus International Group	955,955	5,421	0.73
Kornit Digital	337,569	6,008	0.81
McGrath Rent	128,509	11,339	1.54
Primoris Services	268,232	13,202	1.79
Science Applications International	100,393	11,339	1.54
Simpson Manufacturing	81,333	11,459	1.55
UL Solutions A	174,165	7,034	0.95
V2X	171,330	8,301	1.12
Verra Mobility A	320,543	6,515	0.88
WNS Holdings	254,138	9,478	1.28
		<b>153,081</b>	<b>20.72</b>

# Portfolio Statement (continued)

	Holding at 31.10.24	Market Value £000's	% of net assets
<b>Information Technology 14.30% (15.68%)</b>			
Allegro MicroSystems	231,040	3,693	0.50
ASGN	173,264	12,506	1.69
Box A	607,939	15,188	2.06
Ciena	223,979	11,118	1.50
CommVault Systems	46,123	5,586	0.76
LiveRamp Holdings	604,484	11,834	1.60
Lumentum Holdings	301,099	14,818	2.01
MACOM Technology Solutions Holdings	105,974	9,188	1.24
Mirion Technologies A	359,257	4,105	0.55
Rogers	86,486	6,848	0.93
Viavi Solutions	1,481,154	10,772	1.46
		<b>105,656</b>	<b>14.30</b>
<b>Materials 6.48% (7.22%)</b>			
Balchem	82,292	10,819	1.46
Element Solutions	577,551	12,282	1.66

	Holding at 31.10.24	Market Value £000's	% of net assets
Graphic Packaging Holding	421,683	9,292	1.26
Materion	111,223	8,938	1.21
Orion	554,070	6,581	0.89
		<b>47,912</b>	<b>6.48</b>
<b>Real Estate 3.21% (3.03%)</b>			
Douglas Emmett REIT	604,502	8,496	1.15
PotlatchDeltic REIT	200,187	6,543	0.88
Terreno Realty REIT	182,569	8,688	1.18
		<b>23,727</b>	<b>3.21</b>
<b>Utilities 2.86% (2.62%)</b>			
Chesapeake Utilities	91,477	8,605	1.17
ONE Gas	126,652	7,120	0.96
SJW Group	123,191	5,387	0.73
		<b>21,112</b>	<b>2.86</b>
<b>Equities total</b>		<b>715,701</b>	<b>96.87</b>
<b>Portfolio of investments</b>		<b>715,701</b>	<b>96.87</b>
<b>Net other assets</b>		<b>23,094</b>	<b>3.13</b>
<b>Net assets attributable to unitholders</b>		<b>738,795</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 30 April 2024.  
Unless otherwise stated, all securities are admitted to official stock exchange listings.



## Statement of Total Return (unaudited)

For the six months ended 31 October 2024

	31.10.24		31.10.23	
	£000's	£000's	£000's	£000's
<b>Income</b>				
Net capital gains/(losses)		35,208		(53,194)
Revenue	4,093		4,219	
Expenses	(3,854)		(3,828)	
Net revenue before taxation	<b>239</b>		<b>391</b>	
Taxation	(515)		(531)	
Net expense after taxation		<b>(276)</b>		<b>(140)</b>
<b>Total return before distributions</b>		<b>34,932</b>		<b>(53,334)</b>
Distributions		1		3
<b>Change in net assets attributable to unitholders from investment activities</b>		<b>34,933</b>		<b>(53,331)</b>

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

For the six months ended 31 October 2024

	31.10.24		31.10.23	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		698,834 <sup>^</sup>		700,299
Amounts receivable on issue of units	48,955		37,829	
Amounts payable on cancellation of units	(43,930)		(65,054)	
		<b>5,025</b>		<b>(27,225)</b>
Dilution adjustment		3		(2)
Change in net assets attributable to unitholders from investment activities		34,933		(53,331)
<b>Closing net assets attributable to unitholders</b>		<b>738,795</b>		<b>619,741<sup>^</sup></b>

<sup>^</sup> 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 31 October 2024

	31.10.24	30.4.24
	£000's	£000's
<b>Assets</b>		
Investments	715,701	676,579
<b>Current assets</b>		
Debtors	43	4,186
Cash and bank balances	26,600	21,396
<b>Total assets</b>	<b>742,344</b>	<b>702,161</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Distributions payable	-	(159)
Other creditors	(3,549)	(3,168)
<b>Total liabilities</b>	<b>(3,549)</b>	<b>(3,327)</b>
<b>Net assets attributable to unitholders</b>	<b>738,795</b>	<b>698,834</b>

# 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 Manager has undertaken a detailed assessment of the Fund's ability to meet its liabilities as they fall due, including liquidity, fluctuations in global capital markets and investor redemption levels. Based on this assessment, the Fund continues to be open for trading and the Manager is satisfied the Fund has adequate financial resources to continue in operation for at least the next 12 months after the financial statements are signed and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

The accounting policies applied are consistent with those of the annual accounts for the year ended 30 April 2024 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 North America Inc.  
7 Bryant Park  
New York  
NY 10018-3706  
USA  
Registered with the Securities and Exchange Commission  
of the United States of America

## 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 Auditor

KPMG LLP  
319 St Vincent Street  
Glasgow G2 5AS

## 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

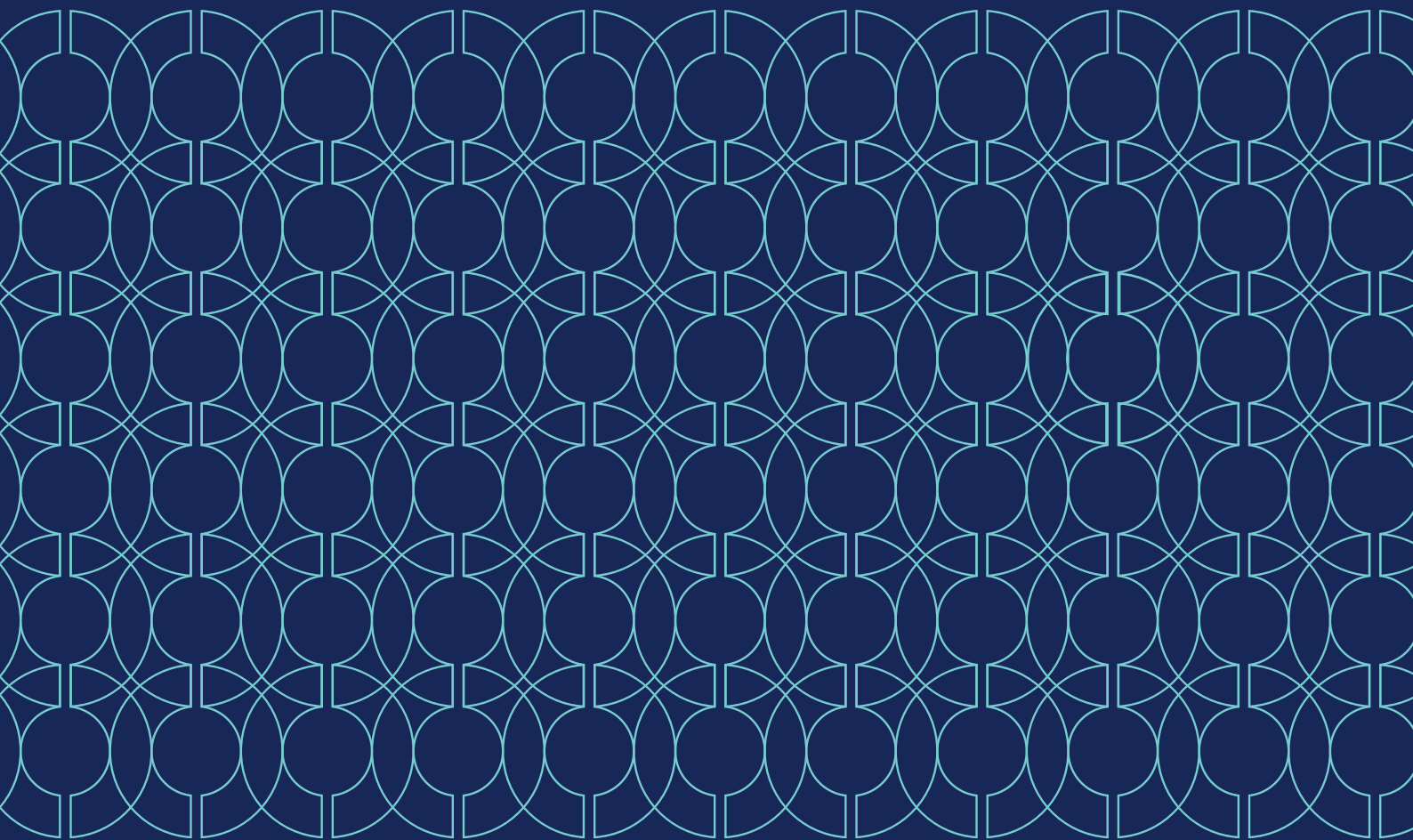
A statement on the Assessment of Value is published on the group website at <https://www.schroders.com/en-gb/uk/intermediary/funds-and-strategies/charges/schroders-assessment-of-value-reports/> within 4 months of the annual 'reference date' 31 December.

## Task Force on Climate-Related Financial Disclosures

A statement on the climate related financial disclosures is published at [www.schroders.com/en/global/individual/corporate-transparency/tcf-entity-and-product-reports/](http://www.schroders.com/en/global/individual/corporate-transparency/tcf-entity-and-product-reports/).

## 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](http://www.schroders.com).



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