



Contents

Fund Information¹	3
Fund Performance¹	3
Review of Investment Activities¹	4
Risk Profile¹	5
Statement of the Manager's Responsibilities	6
Portfolio Statement¹	7
Financial Statements (unaudited)	8
Notes to the Accounts (unaudited)	9
General Information¹	10

¹ Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

Schroder European Smaller Companies Fund (the 'Fund') aims to provide capital growth in excess of the MSCI Europe ex UK Small Cap (Net 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 European companies, excluding the UK.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of small-sized European companies, excluding the UK. These are companies that, at the time of purchase, are similar in size to those comprising the bottom 30% by market capitalisation of the European equity market, excluding the UK.

The Fund may also invest in European companies headquartered or quoted outside Europe which derive a significant proportion of their revenues or profits from Europe.

The small cap universe is an extensive, diverse and constantly changing area of the European 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 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 MSCI Europe ex UK Small Cap (Net Return) index, and compared against the Investment Association European 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 31.5.24 £000's	For the year to 30.11.23 £000's
Total purchases	19,847	44,504
Total sales	28,671	59,931

Fund Performance

	Number of units in issue 31.5.24	Net asset value per unit 31.5.24	Net asset value per unit 30.11.23
A Accumulation units	2,908,707	995.28p	892.24p
A Income units	42,232	917.44p	822.45p
Z Accumulation units	44,239,394	178.74p	159.64p
Z Income units	3,113,030	160.91p	143.71p

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 November 2023 to 31 May 2024, the price of Z Accumulation units on a dealing price basis rose by 11.71%. In the same period, the Euromoney Smaller Europe ex UK Index generated a total return of 14.32%¹, in sterling terms.

The Fund posted gains in the six-month period. Equities were supported by signs of slower inflation and hopes that this would enable interest rate cuts. Ongoing enthusiasm for AI technologies was another key theme of the period.

The Fund posted a positive absolute return but lagged the benchmark. Meal kit supplier HelloFresh was the main individual detractor. The meal kit industry, particularly in the US which is a key market for HelloFresh, is going through a challenging period. Additionally, HelloFresh issued a profit warning. We have exited the position. Another detractor was chemicals distributor Azelis Group. Destocking continued to affect some sectors during the period, including chemicals as well as semiconductors. Azelis's Q1 results showed a fall in organic growth as a result. However, it also reported good free cash flow generation and profit margins.

On the positive side, cables and optical fibres maker Nexans added value. The cable industry is experiencing robust demand from a number of end-markets, including renewable energy and data centres.

As well as the sale of HelloFresh we also exited Barco. New positions initiated in the period include Accelleron Industries, British Land and Kardex Holdings.

The need for continued careful stock picking and active portfolio management remains clear. Our focus remains on identifying quality companies that can endure tough times and prosper in the subsequent environment.

**Fund Manager:
Luke Biermann**



European Smaller Company Fund Manager, based in London

Luke has more than 17 years experience on the European Smaller Companies team, having joined in 2006. For the majority of this tenure Luke has specialised on Continental Europe

CFA Charterholder

Investment Management Certificate (IMC)

First-class BSc (Hons) in Computer Science, University of Bath

¹ Source: Morningstar.

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.

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 Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual 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.

S. Reedy

Directors

30 July 2024

A. O'Donoghue

Portfolio Statement

	Holding at 31.5.24	Market Value £000's	% of net assets
Equities 95.73% (98.82%)			
Austria 3.07% (3.21%)			
DO & CO	29,027	3,480	3.07
		3,480	3.07
Belgium 12.13% (14.02%)			
Azelis Group	140,855	2,333	2.06
D'ieteren Group	23,746	4,039	3.56
Lotus Bakeries	112	933	0.82
Recticel	239,782	2,813	2.48
Warehouses De Pauw REIT	159,680	3,641	3.21
		13,759	12.13
Denmark 0.00% (0.58%)			
Finland 0.00% (0.76%)			
France 5.61% (6.36%)			
Nexans	38,075	3,604	3.18
Trigano	23,238	2,764	2.43
		6,368	5.61
Germany 10.29% (12.62%)			
Cherry	104,855	199	0.17
CTS Eventim	47,921	3,273	2.88
Gerresheimer	28,028	2,514	2.22
PharmaSGP Holding	57,601	1,110	0.98
Schott Pharma	63,445	1,577	1.39
Stabilus	34,224	1,675	1.48
Stemmer Imaging	49,246	1,323	1.17
		11,671	10.29
Guernsey 1.28% (1.21%)			
Sirius Real Estate REIT	1,485,358	1,447	1.28
		1,447	1.28
Ireland 3.18% (3.02%)			
Bank of Ireland Group	401,917	3,603	3.18
		3,603	3.18
Italy 6.94% (5.58%)			
Moncler	42,182	2,202	1.94
Recordati Industria Chimica e Farmaceutica	21,540	886	0.78
Reply	29,051	3,131	2.76
Technoprobe	215,108	1,658	1.46
		7,877	6.94
Luxembourg 2.27% (2.17%)			
Befesa	91,404	2,569	2.27
		2,569	2.27
Netherlands 3.78% (6.40%)			
Alfen	44,745	1,375	1.21
ASM International	2,334	1,274	1.12

	Holding at 31.5.24	Market Value £000's	% of net assets
BE Semiconductor Industries	8,884	1,021	0.90
TKH Group CVA	16,951	619	0.55
		4,289	3.78
Norway 5.33% (4.76%)			
Aker BP	145,028	2,917	2.57
Borregaard	217,391	3,125	2.76
		6,042	5.33
Spain 5.96% (6.21%)			
Bankinter	558,123	3,857	3.40
Fluidra	152,623	2,907	2.56
		6,764	5.96
Sweden 15.70% (13.18%)			
AddTech	71,648	1,316	1.16
BoneSupport Holding	68,157	1,286	1.13
Bufab	17,459	498	0.44
Cint Group	759,581	817	0.72
Fortnox	347,383	1,700	1.50
Hemnet Group	125,741	2,721	2.40
INVISIO	101,180	1,957	1.72
Lifco	89,772	1,852	1.63
Nordnet	180,595	2,808	2.48
Profoto Holding	104,207	529	0.47
Thule Group	98,484	2,326	2.05
		17,810	15.70
Switzerland 14.30% (13.41%)			
Accelleron Industries	67,592	2,141	1.89
Bachem Holding	26,102	1,836	1.62
Comet Holding	6,378	1,849	1.63
Emmi	2,182	1,708	1.51
Kardex Holding	5,212	1,130	1.00
Montana Aerospace	102,112	1,741	1.53
Sensirion Holding	5,316	348	0.31
SIG Group	68,909	1,123	0.99
SKAN Group	28,866	2,020	1.78
Ypsomed Holding	6,969	2,318	2.04
		16,214	14.30
United Kingdom 4.70% (4.32%)			
British Land REIT	285,896	1,251	1.10
Games Workshop Group	18,252	1,821	1.61
Wise	277,927	2,257	1.99
		5,329	4.70
United States of America 1.19% (1.01%)			
Boku#	751,467	1,353	1.19
		1,353	1.19
Equities total		108,575	95.73
Portfolio of investments		108,575	95.73
Net other assets		4,847	4.27
Net assets attributable to unitholders		113,422	100.00

The comparative percentage figures in brackets are as at 30 November 2023.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

Security traded on another regulated market.

Statement of Total Return (unaudited)

For the six months ended 31 May 2024

	31.5.24		31.5.23	
	£000's	£000's	£000's	£000's
Income				
Net capital gains		11,516		5,986
Revenue	1,731		2,024	
Expenses	(644)		(767)	
Net revenue before taxation	1,087		1,257	
Taxation	(168)		(251)	
Net revenue after taxation		919		1,006
Total return before distributions		12,435		6,992
Distributions		(7)		(5)
Change in net assets attributable to unitholders from investment activities		12,428		6,987

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

For the six months ended 31 May 2024

	31.5.24		31.5.23	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		106,958 [^]		122,368
Amounts receivable on issue of units	222		592	
Amounts payable on cancellation of units	(6,186)		(5,135)	
		(5,964)		(4,543)
Change in net assets attributable to unitholders from investment activities		12,428		6,987
Closing net assets attributable to unitholders		113,422		124,812[^]

[^] 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 May 2024

	31.5.24	30.11.23
	£000's	£000's
Assets		
Investments	108,575	105,692
Current assets		
Debtors	615	572
Cash and bank balances	5,728	1,038
Total assets	114,918	107,302
Liabilities		
Creditors		
Distributions payable	-	(52)
Other creditors	(1,496)	(292)
Total liabilities	(1,496)	(344)
Net assets attributable to unitholders	113,422	106,958

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 November 2023 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 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

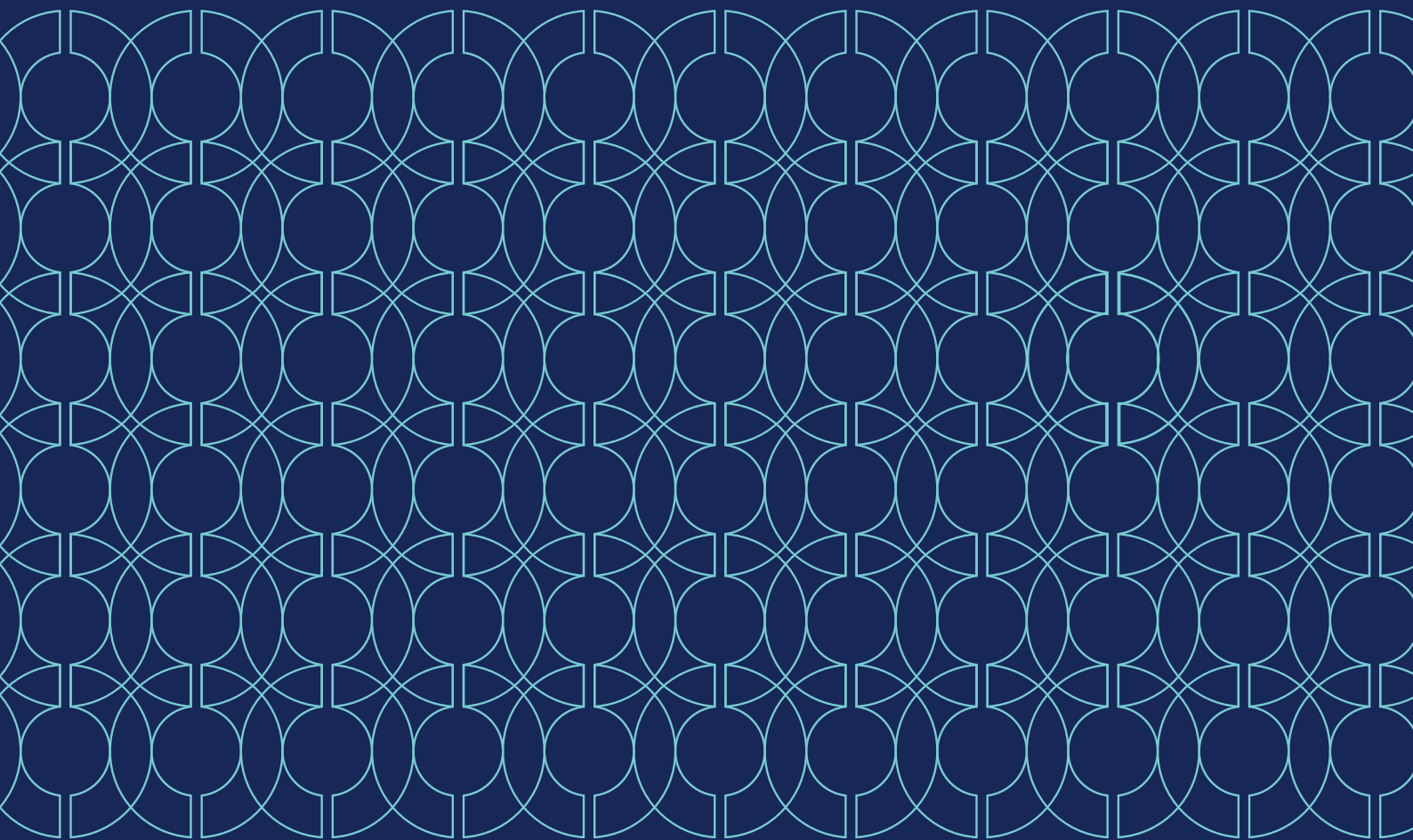
A statement on the Assessment of Value is published on the group website at <https://www.schroders.com/en-gb/uk/intermediary/funds-and-strategies/charges/schroders-assessment-of-value-reports/> within 4 months of the annual 'reference date' 31 December.

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/.

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