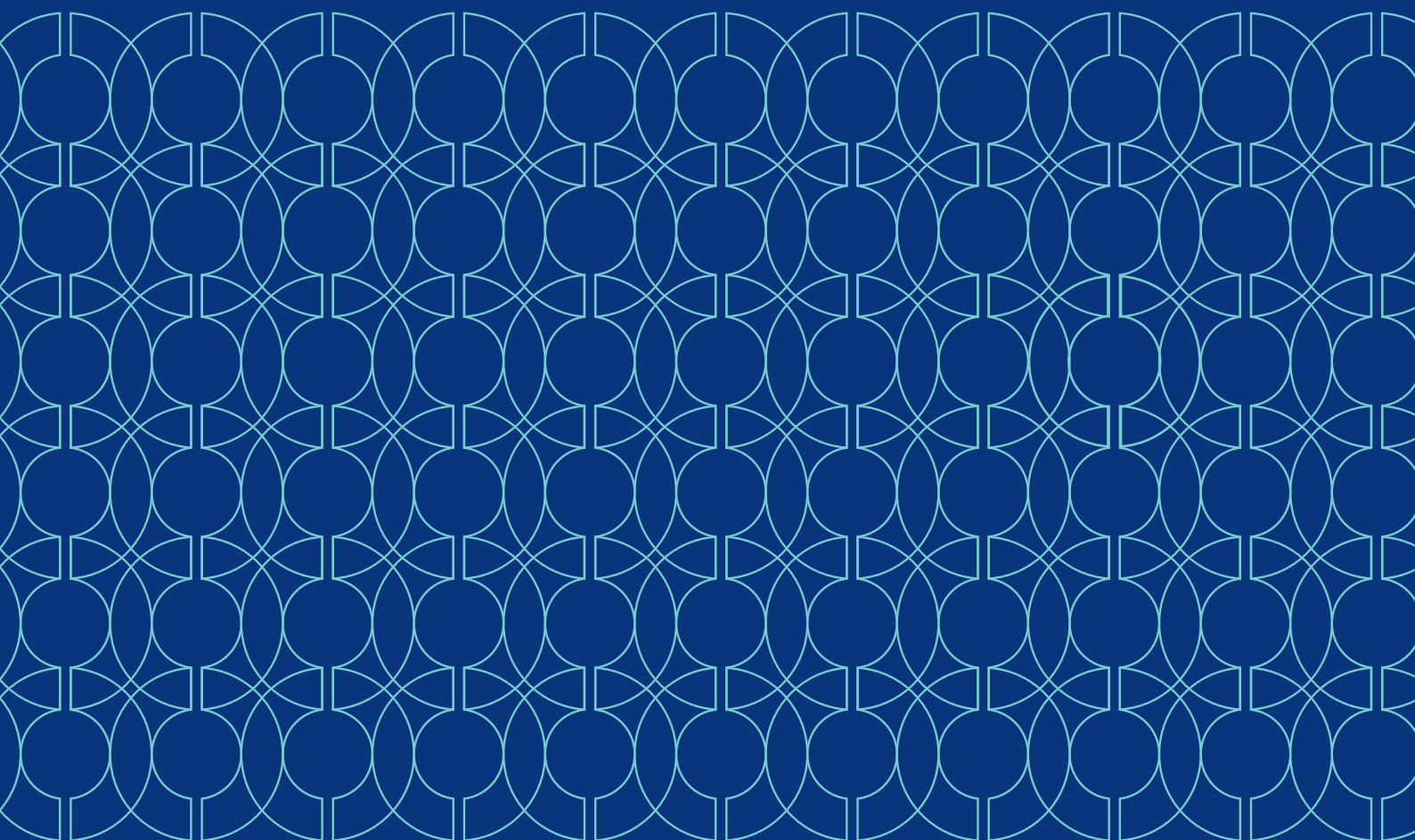


Schroders

Schroder MM UK Growth Fund

Interim Report and Accounts

August 2019



Schroder MM UK Growth Fund

August 2019

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¹ Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

The Schroder MM UK Growth Fund (the 'fund') aims to provide capital growth in excess of the FTSE All Share (Gross Total Return) index (after fees have been deducted) over a five to seven year period by investing in equity and equity related securities of UK companies.

The Fund is actively managed and invests its assets indirectly through collective investment schemes, exchange traded funds, real estate investments trusts and closed end funds, in equity and equity related securities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK.

The Fund may also invest directly in equity and equity related securities (including non-UK securities). The Fund may directly or indirectly invest in money market instruments, and may hold cash.

The Fund may invest up to 100% of its assets in collective investment schemes (including other Schroder funds).

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently.

With effect from 7 August 2019 the fund's investment objective and policy changed, previously it was:

The Fund seeks to provide capital growth through investment across various economic sectors in the UK.

The Fund will invest in a diversified portfolio of collective investment schemes and exchange traded funds which invest mainly in the shares of companies that have their registered office, or derive a significant proportion of their revenue, or are predominantly operating from, within the UK.

Although the investment policy of the Fund is to invest mainly in collective investment schemes, the Fund may also invest in closed-ended funds, individual transferable securities, money market instruments, deposits and cash or near cash.

The Fund may utilise derivatives and forward transactions for the purpose of efficient portfolio management.

Financial highlights

Dealing price	30.8.19	28.2.19	% change
A Income units	105.90p	106.50p	(0.56)
A Accumulation units	127.10p	126.10p	0.79
S Income units	55.68p	55.99p	(0.55)
S Accumulation units	128.60p	127.20p	1.10
Z Income units	105.80p	106.40p	(0.56)
Z Accumulation units	131.90p	130.50p	1.07
	31.10.19	31.10.18	
Interim distribution per Z Income unit	0.7296p	0.3838p	

Fund Information (continued)

Fund information

Launch date	22 May 2002	
Launch price	50.00p per A Income unit	
	50.00p per A Accumulation unit	
Launch date	2 April 2012	
Launch price	72.89p per Z Income unit	
	80.77p per Z Accumulation unit	
Launch date	1 November 2013	
Launch price	50.00p per S Income unit	
Launch date	15 December 2017	
Launch price	127.00p per S Accumulation unit	
	Interim	Final
Accounting dates	31 August	28 February
Revenue allocation dates	31 October	30 April

Ongoing charges figure

	For the period to 31.8.19	For the year to 28.2.19
A Income units	1.88% ¹	1.87%
A Accumulation units	1.88% ¹	1.87%
S Income units	1.18% ¹	1.17%
S Accumulation units	1.18% ¹	1.17%
Z Income units	1.38% ¹	1.37%
Z Accumulation units	1.38% ¹	1.37%

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

Total purchases and sales

	For the period to 31.8.19 £000's	For the year to 28.2.19 £000's
Total purchases	104	6,720
Total sales	9,271	20,532

Review of Investment Activities

From 28 February 2019 to 30 August 2019, the price of Z Accumulation units on a dealing price to dealing price basis rose 1.07%. In the same period, the FTSE¹ All Share Index generated a total return of 4.28%².

We spent the bulk of 2018 opining that we were at a significant turning point in economic conditions, and that it seemed a sensible time to focus on defending clients' assets. Whilst accused at the time of being premature in our positioning, we ended the period feeling very relieved that we were.

As we approach the end of this economic cycle, one wonders how all this pans out if the financial sectors are once again seen to bear the brunt of any potential future downturn.

In the UK, Brexit increasingly continues to dominate headlines, yet frustrations aside, the market is setting up what appears to be a fantastic opportunity. At least for those willing to push against the late cycle market momentum which has concentrated returns to a handful of names.

Sterling assets remain plagued by uncertainty, appearing to price in the worst case scenario of 'no deal'. As a result, any sign of agreement one way or another has the potential to see a sharp rebound in UK equities and the currency.

Looking ahead, a combination of slower growth, higher interest rates, quantitative tightening and falling profit margins may prove problematic for global markets and our skew away from growth stocks and the winners of the last cycle, remains. We are overweight in selective sectors where valuations remain relatively unchallenging and have put some cash to work in recent pullbacks, but liquidity remains a hugely important commodity for now.

Marcus Brookes co-managed the fund until 30 April 2019 when he left the team in preparation for taking up the role of CIO at Schroders Personal Wealth.

As of 1 May 2019 Robin McDonald became head of the Multi Manager team.

Fund Manager:

Robin McDonald



Joined Schroders in July 2013 following the acquisition of Cazenove Capital

Previous to the acquisition he was a Fund Manager at Cazenove Capital, which he joined in October 2007, responsible for co-managing the multi manager fund range as well as a few segregated mandates

Prior to this Robin was a Multi Manager Analyst at Gartmore, a position he held from September 2003

Up to this time he worked as a Multi Manager Analyst for Insight Investment Management, following its acquisition of Rothschild Asset Management in 2003, which he joined in 2001

Robin began his career in September 1999 when he joined Bank of New York (Europe) Limited as a Client Relationship Executive

Robin is a CFA charter holder

Co-Fund Manager:

Joe Le Jéhan



Joined Schroders in July 2013 following the acquisition of Cazenove Capital

Previous to the acquisition he was a Fund Manager in the Multi Manager team at Cazenove Capital from January 2013, a firm he joined in March 2008 as an Analyst

Prior to this, Joe was a Fund Analyst at Brewin Dolphin, a position he held from January 2005

Joe began his career in September 2000, as an Associate on Retail Funds in the Assurance and Business Advisory Division at PricewaterhouseCoopers

Joe is a CFA charter holder

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² Source: Thomson Reuters Datastream.

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.

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.

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.

Specific risks

The fund is authorised as a non-UCITS retail scheme. The investment and borrowing powers of these types of scheme are wider than those for UCITS funds whilst still aiming to provide a prudent spread of risk.

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 is index unconstrained and has the potential for greater volatility.

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 may invest in unregulated collective investment schemes, which involves a higher degree of risk as they are not regulated by the Financial Conduct Authority (FCA). The funds may not be readily realisable and priced less frequently than listed shares or authorised unit trusts, and therefore price swings may be more volatile.

More than 35% of the property of the fund may be invested in Government securities.

The fund may invest in higher yielding bonds (non-investment grade). The risk of default is higher with non-investment grade bonds than with investment grade bonds. Higher yielding bonds may also have an increased potential to erode your capital sum than lower yielding bonds.

The fund may invest in a wide range of derivatives in order to meet its investment objectives.

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

Financial year to 28 February	A Income units		A Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
2017	109.40	89.31	127.10	103.40
2018	112.00	103.90	131.80	122.20
2019	115.10	99.99	136.20	118.40
Financial period to 31 August 2019	110.10	102.90	132.20	123.60

Financial year to 28 February	S Income units		S Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
2017	57.71	48.32	–	–
2018	59.06	54.81	131.90	122.40
2019	60.44	52.51	136.70	119.30
Financial period to 31 August 2019	57.88	54.12	133.70	125.00

Financial year to 28 February	Z Income units		Z Accumulation units	
	Highest dealing p	Lowest dealing p	Highest dealing p	Lowest dealing p
2017	109.60	89.35	130.20	105.40
2018	112.20	104.10	135.70	125.90
2019	114.90	99.78	140.50	122.50
Financial period to 31 August 2019	110.00	102.80	137.10	128.20

Net revenue

Financial year to 28 February	A Income units pence per unit	A Accumulation units pence per unit
2017	1.3706	1.6212
2018	1.0205	1.4153
2019	1.4736	1.6814
Financial period to 31 August 2019	0.4392	0.5389

Net Asset Value and Comparative Tables (continued)

Financial year to 28 February	S Income units pence per unit	S Accumulation units pence per unit
2017	2.6252	–
2018	1.0841	1.2958
2019	1.1988	2.7140
Financial period to 31 August 2019	0.4385	1.0140

Financial year to 28 February	Z Income units pence per unit	Z Accumulation units pence per unit
2017	1.9527	2.2599
2018	1.8253	2.2214
2019	2.0691	2.5292
Financial period to 31 August 2019	0.7296	0.9061

Net asset value

As at 28 February	Net asset value £000's	Net asset value per unit p	Number of units in issue
2017			
A Income units	18,043	106.75	16,902,522
A Accumulation units	19,194	125.19	15,331,517
S Income units	8,140	56.13	14,501,155
Z Income units	10,704	106.74	10,028,654
Z Accumulation units	12,201	128.31	9,508,685
2018			
A Income units	208	105.41	197,108
A Accumulation units	1,371	124.81	1,098,555
S Income units	24,871	55.28	44,989,338
S Accumulation units	11,728	124.99	9,383,445
Z Income units	932	105.12	886,642
Z Accumulation units	10,362	128.56	8,059,734
2019			
A Income units	184	105.02	174,680
A Accumulation units	1,076	126.09	853,107
S Income units	18,207	55.05	33,073,395
S Accumulation units	6,442	127.16	5,066,242
Z Income units	818	104.68	781,176
Z Accumulation units	8,168	130.54	6,257,436

Net Asset Value and Comparative Tables (continued)

As at 28 February	Net asset value £000's	Net asset value per unit p	Number of units in issue
2019 at 31 August			
A Income units	141	105.41	134,114
A Accumulation units	904	127.09	711,628
S Income units	11,952	55.24	21,634,077
S Accumulation units	4,129	128.62	3,210,237
Z Income units	814	105.05	774,448
Z Accumulation units	7,546	131.90	5,721,070

Fund performance

	Net asset value per unit p as at 31.8.19	Net asset value per unit p as at 28.2.19	% change
A Income units	105.41	105.02	0.37
A Accumulation units	127.09	126.09	0.79
S Income units	55.24	55.05	0.35
S Accumulation units	128.62	127.16	1.15
Z Income units	105.05	104.68	0.35
Z Accumulation units	131.90	130.54	1.04

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 31.8.19	Market Value £000's	% of net assets
Collective Investment Schemes 98.02% (97.35%)			
UK Equity Funds 98.02% (97.35%)			
Investec UK Special Situations Fund A Income GBP^	1,360,000	6,153	24.14
JOHCM UK Opportunities Fund X Distribution GBP^	4,900,000	5,782	22.69
Jupiter UK Special Situations Fund I Accumulation GBP^	2,670,000	6,421	25.20
Majedie UK Equity Fund X Income GBP^	2,500,000	3,561	13.97
TM RWC UK Equity Income Fund L Income GBP^	3,300,000	3,065	12.02
		24,982	98.02
Collective Investment Schemes total		24,982	98.02
Portfolio of investments		24,982	98.02
Net other assets		504	1.98
Net assets attributable to unitholders		25,486	100.00

The comparative percentage figures in brackets are as at 28 February 2019.

Unless otherwise stated, all securities are admitted to official stock exchange listings or are permitted collective investment schemes.

^ Unlisted, suspended or delisted security.

Summary of Portfolio Transactions

Largest purchases

For the six months ended 31 August 2019		Cost £000's
Jupiter UK Special Situations Fund I Accumulation GBP		104

Largest sales

For the six months ended 31 August 2019		Proceeds £000's
Majedie UK Equity Fund X Income GBP		4,431
JOHCM UK Opportunities Fund X Distribution GBP		2,239
Jupiter UK Special Situations Fund I Accumulation GBP		1,789
Investec UK Special Situations Fund A Income GBP		812

Statement of the Manager's Responsibilities

The FCA'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 revenue 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 (SORP) for UK Authorised Funds issued by the Investment Management Association (IMA (now the Investment Association (IA))) 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 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 31 August 2019 were signed on 24 October 2019 on behalf of the Manager by:

P. Chislett
Directors

P. Middleton

Statement of Total Return (unaudited)

For the six months ended 31 August 2019

	31.8.19		31.8.18	
	£000's	£000's	£000's	£000's
Income				
Net capital gains		195		2,476
Revenue	285		306	
Expenses	(88)		(132)	
Net revenue before taxation	197		174	
Taxation	0		0	
Net revenue after taxation		197		174
Total return before distributions		392		2,650
Distributions		(200)		(178)
Change in net assets attributable to unitholders from investment activities		192		2,472

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

For the six months ended 31 August 2019

	31.8.19		31.8.18	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		34,895 ¹		49,472
Amounts receivable on issue of units	830		718	
Amounts payable on cancellation of units	(10,519)		(10,551)	
		(9,689)		(9,833)
Change in net assets attributable to unitholders from investment activities		192		2,472
Retained distribution on Accumulation units		88		70
Closing net assets attributable to unitholders		25,486		42,181¹

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 31 August 2019

	31.8.19	28.2.19
	£000's	£000's
Assets		
Investments	24,982	33,970
Current assets		
Debtors	455	465
Cash and bank balances	347	949
Total assets	25,784	35,384
Liabilities		
Creditors		
Distribution payable	(101)	(327)
Other creditors	(197)	(162)
Total liabilities	(298)	(489)
Net assets attributable to unitholders	25,486	34,895

Notes to the Accounts (unaudited)

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 SORP for UK Authorised Funds issued by the IMA 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)).

Accounting policies

The accounting policies applied are consistent with those of the annual accounts for the year ended 28 February 2019 and are described in those annual accounts.

Distribution Table (unaudited)

Interim distribution for the six months ended 31 August 2019

Group 1 Units purchased prior to 1 March 2019

Group 2 Units purchased on or after 1 March 2019

	Net revenue 2019 p per unit	Equalisation 2019 p per unit	Distribution payable 31.10.19 p per unit	Distribution paid 31.10.18 p per unit
A Income units				
Group 1	0.4392	–	0.4392	0.0000 ¹
Group 2	0.4392	0.0000	0.4392	0.0000 ¹
A Accumulation units				
Group 1	0.5389	–	0.5389	0.0000
Group 2	0.5367	0.0022	0.5389	0.0000
S Income units				
Group 1	0.4385	–	0.4385	0.2571
Group 2	0.4239	0.0146	0.4385	0.2571
S Accumulation units				
Group 1	1.0140	–	1.0140	0.5725
Group 2	1.0140	0.0000	1.0140	0.5725
Z Income units				
Group 1	0.7296	–	0.7296	0.3838
Group 2	0.6857	0.0439	0.7296	0.3838
Z Accumulation units				
Group 1	0.9061	–	0.9061	0.4617
Group 2	0.7036	0.2025	0.9061	0.4617

1 There was no distribution for A Income units as the total amount distributable was below de minimis.

Corporate unitholders

Corporate unitholders receive the dividend distribution payments as detailed below:

100.00% of the total distribution is received as franked investment income.

Equalisation

Equalisation applies to units purchased during the distribution period (Group 2 units). It is the average amount of revenue included in the purchase price of Group 2 units and is refunded to the holders of these units as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of units for capital gains tax purposes.

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

Administration Details

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Independent Auditors

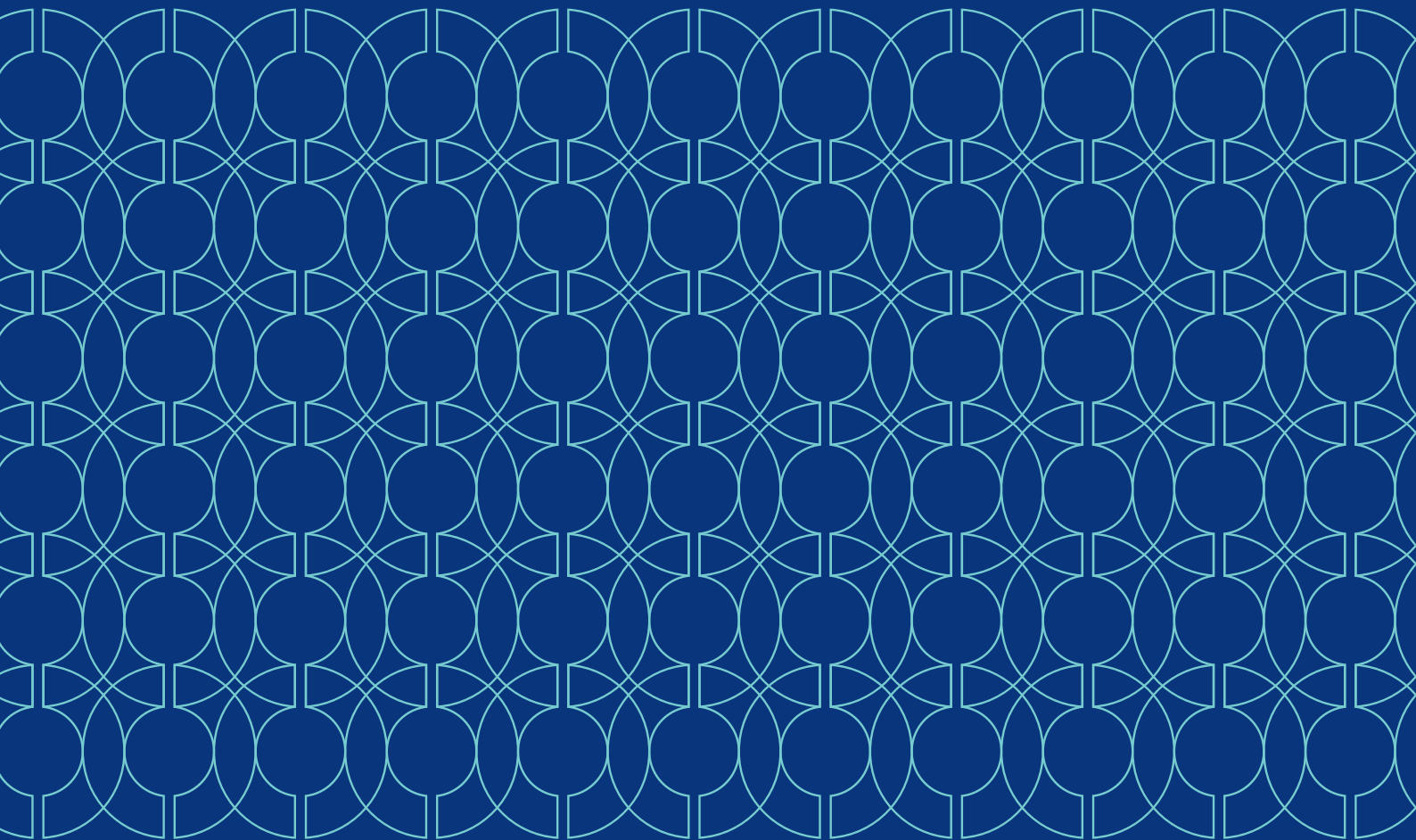
PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Authorisation

The fund is an authorised unit trust and is constituted pursuant to the COLL and is structured as a trust. The fund is a non-UCITS retail scheme for the purpose of the categorisation of the COLL.

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.co.uk.



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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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