

**SCHRODER
UK Mid 250 (UT)**

**OBSR Fund Rating
AA**



Key Information

Launch Date	13 November 1999	
Fund Size	£1599.8m	
Type of Units Available	Income & Accumulation	
Distribution Dates	31 January, 31 July	
Historic Yield	0.61%	
ISA	Yes	
ISA Transfer	Yes	
Standard Fund Management Charges	Initial	5.25%
	Annual	1.50%

Classification

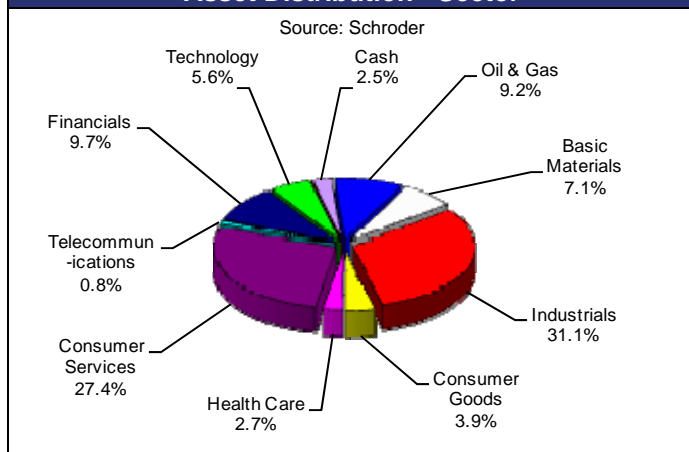
Sector	UK All Companies
Market Cap / Style	Mid Cap / Blend
Benchmark/Index	FTSE 250 Ex IT

Management/Investment Style

Fund Manager	Andy Brough (November 1999)
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Offers investors a UK equity portfolio invested predominantly in the constituents of the FTSE 250 ex IT Index and managed by a proven stockpicker who implements a blended investment style. The manager's approach is pragmatic and aims to capitalise on opportunities across many sectors, thus leading to a diversified portfolio with sensible risk controls.

Asset Distribution - Sector



Investment Objective & Methodology

The fund aims to achieve long-term capital growth by investing in medium-sized companies listed in the FTSE 250 ex IT Index. However the fund may hold former components of, or expected entrants into, that index if in the manager's opinion it is advantageous to do so. The performance objective is to outperform this index over the medium term.

The lead manager of the fund is Andy Brough. He works closely with Rosemary Banyard and together they are Co-Heads of Pan-European Small Cap Equities at Schroders. They are assisted by a team of 26 pan-European analysts. Schroders operates a team approach to the management of mid and small-cap equity portfolios and considerable emphasis is placed upon proprietary research.

The investment philosophy is to invest in growing companies with a unique product or service for which demand is strong. This philosophy also requires the manager to be disciplined in selling stocks if there are signs that increasing competition means this unique advantage is lost. The investment process is based upon in-depth bottom-up fundamental research. The investment team seeks to split the investible universe into three different categories that group companies with similar characteristics, thereby identifying potential investment opportunities as well as those companies they wish to avoid. The first of these, 'A' stocks, consists of those companies that offer long-term growth prospects and are typically characterised by having very strong business franchises, are operating in areas of secular growth, offer scarcity value in their products or services, have strong balance sheets and the ability to finance growth internally and have good quality of management. The second grouping, 'B' stocks, includes cyclical companies that may benefit from a cyclical upturn or re-rating, companies benefiting from withdrawal of industry or stock market capacity and those that are undergoing operational, management or corporate structure change. This category tends to include more mature companies. The third, 'C' stocks, is characterised by companies in industries that are in secular decline and do not provide investors with credible growth opportunities. The portfolio will be constructed with a core of 'A' stocks and a supporting number of shorter-term tactical opportunities selected from the 'B' stocks. The manager will aim to avoid exposure to 'C' stocks. The 'B' stocks will be used to tilt the portfolio in favour of underlying market conditions. Continual monitoring and assessment of the portfolio is undertaken and holdings sold if there is a fundamental deterioration in the operational performance of the business or its financial characteristics, a management change or a significant corporate transaction.

The fund will typically contain between 65 and 90 stocks. Risk is controlled by limiting stock and sector deviation relative to the benchmark to +/-4% and +/-10% respectively. The fund may contain those stocks shortly due for entry into or recently excluded from the FTSE 250 ex IT Index, but they will be limited to no more than 10% of the fund's assets.

Top Ten Holdings

	%
Premier Oil	4.3
Sports Direct	4.0
Victrex	3.8
Homeserve	3.7
Ultra Electronic	3.5
Atkins	3.2
Halma	3.0
CSR	2.9
Grainger Trust	2.7
ITE Group	2.6
Concentration (Top 10)	33.7
Total Number of Holdings	77

Source: Schroder

www.obsrfundratings.co.uk

Data as at 31 March 2011
Last Updated April 2011