

**SCHRODER**  
UK Smaller Companies (UT)

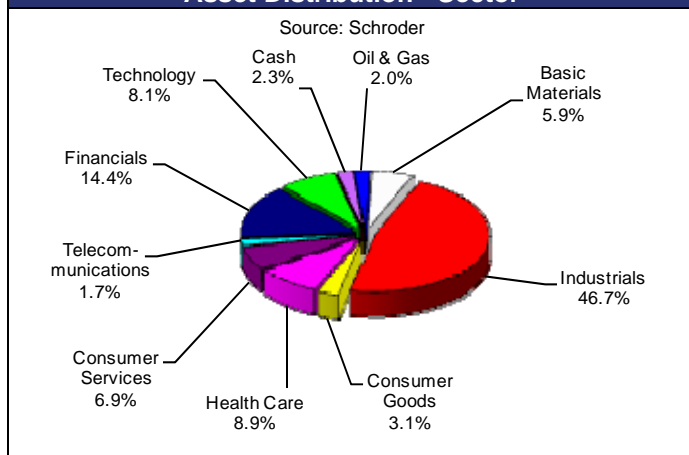
**OBSR Fund Rating**  
**AA / Silver**



**Key Information**

|   |                       |       |
|---|-----------------------|-------|
| <b>Launch Date</b>                      | 23 May 1979           |       |
| <b>Fund Size</b>                        | £236.1m               |       |
| <b>Type of Units Available</b>          | Income & Accumulation |       |
| <b>Distribution Dates</b>               | 31 January, 31 July   |       |
| <b>Historic Yield</b>                   | 0.93%                 |       |
| <b>ISA</b>                              | Yes                   |       |
| <b>ISA Transfer</b>                     | Yes                   |       |
| <b>Standard Fund Management Charges</b> | <b>Initial</b>        | 5.25% |
|   | <b>Annual</b>         | 1.50% |

**Asset Distribution - Sector**



**Top Ten Holdings**

|                                 | %           |
|---------------------------------|-------------|
| Hamworthy                       | 3.5         |
| Oxford Instruments              | 3.0         |
| Park Group                      | 2.8         |
| RPC Group                       | 2.7         |
| Albemarle                       | 2.6         |
| Avon Rubber                     | 2.6         |
| Scapa Group                     | 2.2         |
| Domino Printing                 | 2.2         |
| Xaar                            | 2.2         |
| Latchways                       | 2.1         |
| <b>Concentration (Top 10)</b>   | <b>26.0</b> |
| <b>Total Number of Holdings</b> | <b>103</b>  |

Source: Schroder

**Classification**

|  |  |
|--|--|
| <b>Sector</b>  | UK Smaller Companies   |
| <b>Market Cap / Style</b>  | Small Cap / Blend  |
| <b>Benchmark/Index</b>   | FTSE Small Cap Ex IT   |
| <b>Management/Investment Style</b>   |  |
| <b>Fund Managers</b>   | Andy Brough (March 1994)<br>Rosemary Banyard (December 1998) |
| Offers investors a UK equity portfolio invested predominantly in the constituents of the FTSE Small Cap ex IT Index and is managed by a proven team of stock pickers who implement a blended investment style. The management approach is pragmatic and aims to capitalise on opportunities across many sectors, resulting in a diversified portfolio with sensible risk controls. |  |

**Investment Objective & Methodology**

The fund aims to achieve capital growth by investing in smaller companies that are listed in the UK. The fund aims to outperform the FTSE Small Cap ex IT Index. It may also invest in former or expected entrants in this index if it is deemed to be advantageous.

The fund is co-managed by the joint heads of the Pan-European Small Cap Equities team, Andy Brough and Rosemary Banyard. Schroders operates a team approach to the management of small-cap equity portfolios and considerable emphasis is placed upon proprietary research, with the managers having access to a large team of in-house analysts.

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 hold between 100 and 130 individual stocks. There is unlikely to be any significant style bias to this fund, however it is likely that a number of themes will be identifiable at any one time. Active stock and sector positions are limited to +/-2.5% and +/-10% respectively, relative to the benchmark. Cash will typically be under 5% of the fund's assets.

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Data as at 31 December 2011  
Last Updated January 2012