

# Schroder

# UK Growth Fund plc

Half Yearly Report to 31 October 2009

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**Schroders**

## Investment Objective

**The Company's principal investment objective is to achieve capital growth predominantly from investment in UK equities, with the aim of providing a total return in excess of the FTSE All-Share Index.**

## Directors

**Alan Clifton (Chairman)**  
**Stella Pirie OBE**  
**Andrew Hutton**  
**Keith Niven**  
**David Ritchie**

## Advisers

### **Investment Manager and Company Secretary**

Schroder Investment Management Limited  
31 Gresham Street  
London EC2V 7QA  
Telephone: 020 7658 3206

### **Registered Office**

Schroder Investment Management Limited  
31 Gresham Street  
London EC2V 7QA

### **Bankers**

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London EC2M 5TQ

### **Custodian**

JP Morgan Chase Bank, N.A.  
1 Chaseside  
Bournemouth BH7 7DB

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Hay's Galleria  
1 Hay's Lane  
London SE1 2RD

### **Registrar**

Equiniti Limited  
Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA

Shareholder Helpline  
0871 384 2449\*  
Website: [www.shareview.co.uk](http://www.shareview.co.uk)

\*Calls to this number are charged at 8p per minute from a BT landline. Other telephone providers' costs may vary.

### **Stockbrokers**

Winterflood Investment Trusts  
The Atrium Building  
Cannon Bridge  
25 Dowgate Hill  
London EC4R 2GA

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## Financial Highlights

	31 October 2009	30 April 2009	% Change
Net asset value per share (Diluted and Undiluted)	<b>111.12p</b>	90.16p	23.3
Net asset value per share (Diluted and Undiluted) (excluding undistributed current year revenue)	<b>109.90p</b>	88.15p	24.7
Ordinary Share price	<b>100.00p</b>	83.50p	19.8
Subscription Share price†	<b>7.50p</b>	N/A	
Ordinary Share price discount (based on NAV excluding undistributed current year revenue)	<b>9.0%</b>	5.3%	
Total assets*	<b>£209.3m</b>	£176.4m	18.7
Net effective gearing	<b>8.8%</b>	10.7%	
Shareholders' funds	<b>£174.3m</b>	£141.4m	23.3
Market Capitalisation	<b>£156.9m</b>	£131.0m	19.8
Ordinary Shares in issue	<b>156.9m</b>	156.9m	–
Subscription shares in issue†	<b>31.4m</b>	N/A	
	<b>Six months ended 31 October 2009</b>	Six months ended 31 October 2008	
Dividends per ordinary share	<b>1.25p</b>	1.65p	(24.2)
Net asset value total return **	<b>27.0%</b>	(43.7)%	
Ordinary Share price total return	<b>22.8%</b>	(44.1)%	
FTSE All-Share Index total return ***	<b>21.2%</b>	(28.2)%	

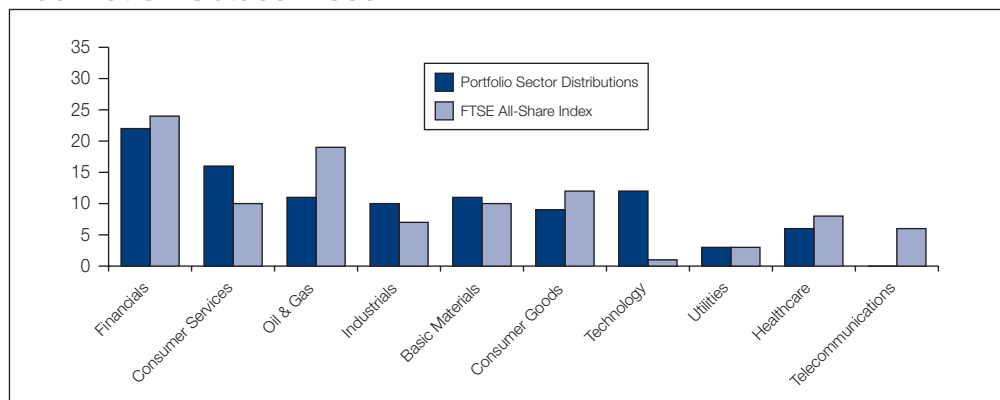
\* Calculated in accordance with AIC guidance and comprises shareholders' funds plus gearing used for investment purposes.

\*\* Source: Fundamental Data.

\*\*\* Source: Thomson Financial Datastream.

† Subscription Shares issued on 6 August 2009.

## Comparison of Portfolio Sector Distribution with the FTSE All-Share Index\* at 31 October 2009



\*Sector distributions are shown as a percentage of total assets.

## Ten Largest Investments

As at 31 October 2009

Company and Activity	Market value of holding £'000	Percentage of Shareholders' funds
<b>Royal Dutch Shell</b> Energy and petrochemicals company.	8,759	5.02
<b>Barclays</b> Banking and financial services group.	8,278	4.75
<b>Xstrata</b> Global diversified mining group.	8,202	4.71
<b>Tesco</b> International food retailing group.	8,107	4.65
<b>Invensys</b> Energy resource management services.	7,667	4.40
<b>BG Group</b> Oil and gas exploration and production group.	7,539	4.32
<b>Burberry Group</b> Designs and sources apparels and accessories.	7,443	4.27
<b>Experian Group</b> Credit and marketing services.	7,048	4.04
<b>Misys</b> Global application and software services provider.	6,745	3.87
<b>Standard Chartered</b> Banking and financial services group.	6,676	3.83
<b>Total</b>	<b>76,464</b>	<b>43.86</b>

As at 30 April 2009, the ten largest investments represented 45.07% of Shareholders' Funds.

## Chairman's Statement

### Performance

The six months to 31 October 2009 have seen much improved performance from the Company's portfolio in both absolute and relative terms. The Company's net asset value enjoyed a total return of 27.0% for the period under review, while the share price produced a total return of 22.8%. These compare with a total return of 21.2% achieved by the FTSE All-Share Index over the same period.

I outlined in my annual statement that the concentration of the portfolio, a feature of our Manager's investment approach, would continue to result in volatile performance when measured against the FTSE All-Share Index. I am pleased to say that this investment approach has yielded excellent relative performance since markets rallied earlier this year. By way of illustration, for the year ended 31 October 2009, the Company's net asset value produced a total return of 48.3%, while the benchmark Index managed a total return of 23.5%.

Further comment on performance and investment policy may be found in the Manager's Review.

### Earnings and Dividends

The Company's focus is on total return without constraining the Manager to deliver any given level of investment income and, as a result, income levels are more volatile than before the change in investment policy in 2006. Partly due to reductions in dividend payouts from UK companies as they battle the recession but also because of changes to the portfolio itself, income from investee companies has fallen sharply this year. The Directors have declared a first interim dividend of 1.25p per share for the year ending 30 April 2010 (2009: 1.65p). The first interim dividend will be payable on 29 January 2010 to shareholders on the Register on 29 December 2009. The Directors hope to be in a position to declare a second interim dividend at least in line with the first interim dividend later in the year but there can be no certainty that this will be possible.

### Gearing Policy

The Company maintains a credit facility of £35 million. While this facility has remained fully drawn down throughout the period, the Manager has also held cash to offset the borrowings and such cash has been built up as markets have risen. The net effective gearing level at the beginning of the period under review was 10.7%, and this had decreased to 8.8% at 31 October 2009.

The Board continues to believe that gearing can enhance performance over time. The Company's gearing continues to operate within pre-agreed limits so that gearing should not represent more than 20% of shareholders' funds.

### Discount Management Policy

The Board has continued to operate a formal discount management policy in order to maintain the discount to the net asset value at which its shares are quoted on the London Stock Exchange at no greater than 5% over the long-term. The average discount during the period was 5% and it was not considered necessary to purchase any shares for cancellation. The Directors continue to keep the situation under review.

### Continuation Vote

I am pleased to report that shareholder approval was obtained at the Annual General Meeting for the Company to continue as an investment trust for a further period of at least five years.

## Chairman's Statement

### Issue of Subscription Shares

Following the passing of the resolution proposed at the Company's General Meeting held on 6 August 2009, 31,374,859 Subscription Shares were allotted to Ordinary Shareholders on the register at 5.00 p.m. on 5 August 2009, by way of a bonus issue on the basis of one Subscription Share for every five Ordinary Shares held at that date.

The rights conferred by the Subscription Shares will be exercisable on each of 31 January and 31 July between 31 January 2010 and 31 July 2012 (both dates inclusive).

The Subscription Price, as defined in the Prospectus and equal to the Published unaudited NAV per Ordinary Share as at 5.00 p.m. on 5 August 2009 (including current period revenue) of 102.69 pence per share (the "Unaudited NAV") plus a percentage premium to such amount, rounded up to the nearest whole penny, is as follows:

- If Subscription Share Rights are exercised on either 31 January 2010 or 31 July 2010, 113 pence, being a 10 per cent. premium to the Unaudited NAV.
- If Subscription Share Rights are exercised on either 31 January 2011 or 31 July 2011, 119 pence, being a 15 per cent. premium to the Unaudited NAV.
- If Subscription Share Rights are exercised on either 31 January 2012 or 31 July 2012, 129 pence, being a 25 per cent. premium to the Unaudited NAV.

### Outlook

The turnaround in UK equities since March has been so marked that the severe challenges still facing the UK economy may appear to have faded from view. This is not the perspective of either your Board or our Manager; our expectations are for a difficult period for the UK economy and continued stock market volatility. While many of the UK's leading companies have significant global operations, and are less dependent on the UK economy, the next six months is likely to be a more testing period with share price gains less readily available. The Board remains assured in its view that its strategy of concentrating the portfolio in a short list of the Manager's highest conviction ideas is the right approach for our company. We have drawn comfort from the strategy's success over the past six and twelve months and are encouraged by the Manager's confidence in the current portfolio.

### Alan Clifton

Chairman

15 December 2009

## Investment Manager's Review

### Performance

During the six months to 31 October 2009 the Company's share price returned 22.8% and the net asset value 27.0%, compared to 21.2% by the FTSE All-Share Index (source: Schroders and Datastream).

The outperformance came from the portfolio's cyclical bias and from the benefit of gearing in a rising market. Stock selection within technology had the greatest impact, with strong gains from holdings in Logica and Misys. Retailer Burberry also delivered strong returns. Whilst trading is clearly tough on the high street, the falls in mortgage rates and utility bills have helped offset rising unemployment and falling house prices. Other key performers included Xstrata, the mining company.

### Market Background

The recovery in the market that began in March has continued, with the FTSE 100 Index in the third quarter posting its largest quarterly gain since the index began in 1984. There has been continued evidence of a global economic recovery, while low interest rates and quantitative easing provided a favourable liquidity background for markets. The return of takeover activity has provided a further fillip to equities.

### Outlook

Though the market has rallied strongly, this has come from the extremely depressed valuations during the panic of the first quarter. The global economy faces significant challenges – with the UK looking particularly difficult – but we believe that the equity market can continue to make progress.

The problems of the UK economy are clear and it is our belief that the economy could lag others into a recovery. The government has a gargantuan budget deficit to tackle: higher taxes, spending cuts and job losses in the public sector seem inevitable. However the UK stock market allows investors to gain exposure to companies with a broad geographic exposure that will benefit from any improvement in global growth, and we believe that share valuations of many of these companies are not excessive.

To ensure that performance is not hostage to the fortunes of the UK economy, the portfolio is invested in a number of companies with overseas earnings. Rolls Royce and Burberry for example both have strong international franchises and global customer bases. Burberry's management is positioning the company to benefit from the growing power of consumers in emerging markets. Having recently opened its first store in India, Burberry now has over 90 stores across the emerging world.

We continue to keep a close eye on events given the skittish nature of the market; and we remain focused on exploiting the short-term opportunities in terms of trimming top performers and adding to laggards. As such, we have cut back on increasingly large positions like Xstrata, whilst adding to shares such as Tesco. We remain very comfortable with the stocks held, and are also happy with the overall shape of the portfolio in terms of sector weightings and the cyclical versus defensive bias. We believe the moves made in recent months, namely trimming the top performing cyclicals, adding to laggard defensives and lowering the gearing, leave a more balanced portfolio for the volatile period ahead.

### Schroder Investment Management Limited

15 December 2009



## Income Statement

	Note	(Unaudited) For the six months ended 31 October 2009			(Unaudited) For the six months ended 31 October 2008			(Audited) For the year ended 30 April 2009		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value		–	34,938	34,938	–	(98,854)	(98,854)	–	(81,592)	(81,592)
Income	2	2,430	–	2,430	4,656	–	4,656	6,901	–	6,901
Investment management fee		(109)	(254)	(363)	(113)	(263)	(376)	(196)	(458)	(654)
VAT recovered		122	284	406	–	–	–	–	–	–
Administrative expenses		(241)	–	(241)	(174)	–	(174)	(325)	–	(325)
Net return/(loss) before finance costs and taxation		2,202	34,968	37,170	4,369	(99,117)	(94,748)	6,380	(82,050)	(75,670)
Interest payable and similar charges		(295)	(301)	(596)	(397)	(929)	(1,326)	(631)	(1,471)	(2,102)
Net return/(loss) on ordinary activities before taxation		1,907	34,667	36,574	3,972	(100,046)	(96,074)	5,749	(83,521)	(77,772)
Taxation on ordinary activities		–	–	–	(5)	–	(5)	(5)	–	(5)
Net return/(loss) after taxation attributable to equity shareholders		1,907	34,667	36,574	3,967	(100,046)	(96,079)	5,744	(83,521)	(77,777)
Net return/(loss) per ordinary share	5	1.22p	22.10p	23.32p	2.53p	(63.77)p	(61.24)p	3.66p	(53.24)p	(49.58)p

The Total column of this statement is the profit and loss account of the Company. The Revenue and Capital columns are both provided in accordance with guidance issued by The Association of Investment Companies. The Company has no recognised gains or losses other than those disclosed in the Income Statement and the Reconciliation of Movements in Shareholders' Funds. Accordingly no Statement of Total Recognised Gains and Losses is presented.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

The notes on pages 11 and 12 form an integral part of these accounts.

## Reconciliation of Movements in Shareholders' Funds

	For the six months ended 31 October 2009 (Unaudited)							
	Called up share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Share purchase reserve £'000	Warrant exercise reserve £'000	Capital reserves £'000	Revenue reserve* £'000	Total £'000
Balance at 30 April 2009	39,219	18,050	985	85,234	417	(8,568)	6,106	141,443
Net return on ordinary activities	-	-	-	-	-	34,667	1,907	36,574
Ordinary dividend paid	-	-	-	-	-	-	(3,451)	(3,451)
Bonus issue of subscription shares	314	-	(314)	-	-	-	-	-
Subscription shares issue costs	-	-	(245)	-	-	-	-	(245)
<b>At 31 October 2009</b>	<b>39,533</b>	<b>18,050</b>	<b>426</b>	<b>85,234</b>	<b>417</b>	<b>26,099</b>	<b>4,562</b>	<b>174,321</b>

	For the six months ended 31 October 2008 (Unaudited)							
	Called up share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Share purchase reserve £'000	Warrant exercise reserve £'000	Capital reserves £'000	Revenue reserve* £'000	Total £'000
Balance at 30 April 2008	40,069	17,200	985	85,234	417	74,953	6,402	225,260
Net loss on ordinary activities	-	-	-	-	-	(100,046)	3,967	(96,079)
Ordinary dividend paid	-	-	-	-	-	-	(3,451)	(3,451)
Cancellation of shares from treasury	(850)	850	-	-	-	-	-	-
<b>At 31 October 2008</b>	<b>39,219</b>	<b>18,050</b>	<b>985</b>	<b>85,234</b>	<b>417</b>	<b>(25,093)</b>	<b>6,918</b>	<b>125,730</b>

	For the year ended 30 April 2009 (Audited)							
	Called up share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Share purchase reserve £'000	Warrant exercise reserve £'000	Capital reserves £'000	Revenue reserve* £'000	Total £'000
Balance at 30 April 2008	40,069	17,200	985	85,234	417	74,953	6,402	225,260
Net loss on ordinary activities	-	-	-	-	-	(83,521)	5,744	(77,777)
Ordinary dividends paid	-	-	-	-	-	-	(6,040)	(6,040)
Cancellation of shares from Treasury	(850)	850	-	-	-	-	-	-
<b>At 30 April 2009</b>	<b>39,219</b>	<b>18,050</b>	<b>985</b>	<b>85,234</b>	<b>417</b>	<b>(8,568)</b>	<b>6,106</b>	<b>141,443</b>

\* The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

The notes on pages 11 and 12 form an integral part of these accounts.

## Balance Sheet

		(Unaudited) At 31 October 2009 £'000	(Unaudited) At 31 October 2008 £'000	(Audited) At 30 April 2009 £'000
	Note			
<b>Fixed assets</b>				
Investments held at fair value through profit or loss		189,753	143,929	155,241
		<b>189,753</b>	143,929	155,241
<b>Current assets</b>				
Debtors		314	4,573	3,099
Cash at bank and short-term deposits		19,704	14,024	18,454
		<b>20,018</b>	18,597	21,553
<b>Current liabilities</b>				
Creditors – amounts falling due within one year	7	(35,450)	(36,796)	(35,351)
<b>Net current liabilities</b>		<b>(15,432)</b>	(18,199)	(13,798)
<b>Net assets</b>		<b>174,321</b>	125,730	141,443
<b>Capital and reserves</b>				
Called up share capital	8	39,533	39,219	39,219
Capital redemption reserve		18,050	18,050	18,050
Share premium account		426	985	985
Share purchase reserve		85,234	85,234	85,234
Warrant exercise reserve		417	417	417
Capital reserves		26,099	(25,093)	(8,568)
Revenue reserve		4,562	6,918	6,106
<b>Equity shareholders' funds</b>		<b>174,321</b>	125,730	141,443
<b>Net asset value per ordinary share</b>	9	<b>111.12p</b>	80.15p	90.16p

The notes on pages 11 and 12 form an integral part of these accounts.

## Cash Flow Statement

	<b>(Unaudited) For the six months ended 31 October 2009 £'000</b>	<b>(Unaudited) For the six months ended 31 October 2008 £'000</b>	<b>(Audited) For the year ended 30 April 2009 £'000</b>
Net cash inflow from operating activities	<b>2,275</b>	5,937	7,019
VAT recovered	<b>1,206</b>	–	–
Net cash outflow from servicing of finance	<b>(592)</b>	(1,411)	(2,183)
Taxation received/(paid)	<b>8</b>	(67)	(36)
Net cash inflow from investment activities	<b>1,995</b>	10,100	16,778
Equity dividends paid	<b>(3,451)</b>	(3,451)	(6,040)
Net cash outflow from financing	<b>(191)</b>	(7,500)	(7,500)
Net cash inflow	<b>1,250</b>	3,608	8,038
<b>Reconciliation of net cash flow to movement in net debt</b>			
Net cash inflow	<b>1,250</b>	3,608	8,038
Movement in borrowings	<b>191</b>	7,500	7,500
Movement in net debt resulting from cash flows	<b>1,441</b>	11,108	15,538
Net debt at 1 May	<b>(16,546)</b>	(32,084)	(32,084)
Net debt carried forward	<b>(15,105)</b>	(20,976)	(16,546)

The notes on pages 11 and 12 form an integral part of these accounts.

## Notes to the Accounts

### 1. Accounting Policies and Responsibility Statement

The Directors confirm that, to the best of their knowledge, this condensed set of financial statements has been prepared in accordance with the Companies Act 2006, applicable UK Accounting Standards and the Statement of Recommended Practice: Financial Statements of Investment Companies and Venture Capital Trusts (SORP) issued in January 2009 and the Interim Management Report in the form of the Chairman's Statement and Investment Manager's Review include a fair review of the information required by DTR 4.2.7 and 4.2.8 of the FSA's Disclosure and Transparency Rules.

The financial information for each of the six month periods ended 31 October 2009 and 31 October 2008 comprises non-statutory accounts within the meaning of sections 434 - 436 of the Companies Act 2006 as appropriate. The financial information for the year ended 30 April 2009 has been extracted from published accounts that have been delivered to the Registrar of Companies and on which the report of the auditors was unqualified.

The Company's principal risks and uncertainties remained unchanged to those described in the Report and Accounts for the year ended 30 April 2009. The Company's accounting policies have not varied from those described in the Report and Accounts for the year ended 30 April 2009.

### 2. Income

	(Unaudited) For the six months ended 31 October 2009 £'000	(Unaudited) For the six months ended 31 October 2008 £'000	(Audited) For the year ended 30 April 2009 £'000
UK franked dividend income	1,784	3,816	5,482
UK unfranked dividend income	170	163	394
Stock dividends	141	190	367
	<b>2,095</b>	4,169	6,243
Interest on deposits	44	471	642
Underwriting commission	–	16	16
HMRC interest received	291	–	–
	<b>2,430</b>	4,656	6,901

### 3. Management fees and interest payable

The investment management fee and finance costs on borrowings for investment purposes are apportioned 30% to revenue and 70% to capital.

### 4. VAT recoverable

Since the year end, a total of £837,000 was recovered by our Manager from HMRC in respect of VAT wrongfully charged to the Company for the period April 2001 to October 2007. A further £369,000 has been recovered in respect of the period April 1995 to October 1996. In addition, statutory interest amounting to £291,000 has also been recovered from HMRC for these periods.

### 5. Return/(loss) per ordinary share

	(Unaudited) For the six months ended 31 October 2009 £'000	(Unaudited) For the six months ended 31 October 2008 £'000	(Audited) For the year ended 30 April 2009 £'000
Revenue	1,907	3,967	5,744
Capital	34,667	(100,046)	(83,521)
<b>Total</b>	<b>36,574</b>	(96,079)	(77,777)
Weighted average number of shares	156,876,900	156,876,900	156,876,900
Revenue	1.22p	2.53p	3.66p
Capital	22.10p	(63.77)p	(53.24)p
<b>Total</b>	<b>23.32p</b>	(61.24)p	(49.58)p

The Company has in issue 31,374,859 subscription shares which are convertible into ordinary shares on 31 January 2010 and at the end of each six month period thereafter until 31 July 2012. The subscription shares were issued on 6 August 2009. Further details of the conversion price are given in note 8 on page 12. As at 31 October 2009, there was no dilution of the return per ordinary share in respect of the conversion rights attaching to the subscription shares.

## Notes to the Accounts

### 6. Dividends

The first interim dividend for the year ending 30 April 2010 of 1.25 pence per ordinary share will be paid on 29 January 2010 to shareholders on the register at 29 December 2009.

On 31 July 2009 the Company paid a second interim dividend of 2.20 pence per share for the year ended 30 April 2009.

### 7. Creditors: Amounts falling due within one year

Included within creditors of £35.5m is a loan of £35.0m (31 October 2008: £35.0m, 30 April 2009: £35.0m) drawn down under the Company's revolving credit facility with ING Bank N.V.

### 8. Called up share capital

	(Unaudited) At 31 October 2009 £'000	(Unaudited) At 31 October 2008 £'000	(Audited) At 30 April 2009 £'000
Authorised:			
1,271,244,984 (31 October 2008 and 30 April 2009: 1,272,500,000) ordinary shares of 25p each	317,819	318,125	318,125
31,375,400 (31 October 2008 and 30 April 2009: nil) subscription shares of 1p each	314	N/A	N/A
Allotted, Called up and Fully paid:			
Ordinary shares in issue:			
Opening balance 156,876,900 Ordinary shares of 25p	39,219	39,219	39,219
	39,219	39,219	39,219
Shares in treasury:			
Opening balance of nil (31 October 2008 and 30 April 2009: 3,399,000) shares held in treasury	–	850	850
Cancellation of nil (31 October 2008 and 30 April 2009: 3,399,000) shares from treasury	–	(850)	(850)
Closing balance 156,876,900 Ordinary shares of 25p	39,219	39,219	39,219
Subscription shares of 1p each:			
Bonus issue of 31,374,859 subscription shares	314	N/A	N/A
Closing balance 31,374,859 subscription shares of 1p	314	N/A	N/A
Total share capital	39,533	39,219	39,219

The subscription shares were issued as a bonus issue to the ordinary shareholders on 6 August 2009 on the basis of one subscription share for every five ordinary shares. Each subscription share confers the right (but not the obligation) to subscribe for one ordinary share on 31 January 2010 and at the end of each six-month period thereafter until 31 July 2012 when the rights under the subscription shares will lapse.

The conversion prices have been determined as follows:

- (a) If exercised on either 31 January 2010 or 31 July 2010, 113 pence. (b) If exercised on either 31 January 2011 or 31 July 2011, 119 pence. (c) If exercised on either 31 January 2012 or 31 July 2012, 129 pence.

### 9. Diluted and undiluted net asset value per ordinary share

	(Unaudited) 31 October 2009 £'000	(Unaudited) 31 October 2008 £'000	(Audited) 30 April 2009 £'000
Net assets attributable to ordinary shareholders	174,321	125,730	141,443
Ordinary shares in issue at end of period	156,876,900	156,876,900	156,876,900
Diluted and undiluted net asset value per ordinary share	111.12p	80.15p	90.16p

## Company Summary

### The Company

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Schroder UK Growth Fund plc is an independent investment trust whose shares are listed on the London Stock Exchange. As at 15 December 2009, the Company had 156,876,900 ordinary shares of 25p each and 31,374,859 subscription shares of 1p each in issue (no shares were held in treasury). The Company's assets are managed and it is administered by Schroders. The Company has, since its launch in 1994, measured its performance against the FTSE All-Share Index. The Company measures its performance on a total return basis.

It is not intended that the Company should have a limited life, but the Directors consider it desirable that the Shareholders should have the opportunity to review the future of the Company at appropriate intervals. Accordingly, the Articles of Association of the Company contain provisions requiring the Directors to put a proposal for the continuation of the Company to Shareholders at the Company's Annual General Meeting and thereafter at five yearly intervals. Such a resolution was put to shareholders at the Annual General Meeting on 6 August 2009 and passed unanimously. The next resolution for the continuation of the Company will be put to shareholders in 2014.

### Website and Price Information

The Company has a dedicated website, which may be found at [www.schroderukgrowthfund.com](http://www.schroderukgrowthfund.com). The website has been designed to be utilised as the Company's primary method of electronic communication with shareholders. It contains details of the Company's share price (subject to a delay of 15 minutes) and copies of Report and Accounts and other documents published by the Company as well as information on the Directors, Terms of Reference of Committees and other governance arrangements. In addition, the site contains links to announcements made by the Company to the market, Equiniti's shareview service and Schroders' website. There is also a section entitled "How to Invest" which provides details of the Schroder ISA.

The Company releases its Net Asset Value on both a cum and ex income basis to the market on a daily basis.

Share price information may also be found in the Financial Times and on Schroders' website at [www.schroders.co.uk/its](http://www.schroders.co.uk/its).

### Registrar Services

Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to shareholdings, including a change of address or other amendment should be directed to Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. The helpline telephone number of Equiniti Registrars is 0871 384 2449.

Equiniti maintain a web-based enquiry service for shareholders. Currently the "Shareview" site (address below) contains information available on public registers.

Shareholders will be invited to enter their name, shareholder reference (account number) and post code and will be able to view information on their own holding. Visit [www.shareview.co.uk](http://www.shareview.co.uk) for more details.

### Association of Investment Companies

The Company is a member of the Association of Investment Companies. Further information on this association can be found on its website, [www.theaic.co.uk](http://www.theaic.co.uk).

[www.schroderukgrowthfund.com](http://www.schroderukgrowthfund.com)