

# Schroder

# UK Growth Fund plc

Half Yearly Report to 31 October 2010

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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**

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London EC2V 7QA  
Telephone: 020 7658 3206

### **Registered Office**

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London EC2V 7QA

### **Bankers**

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60 London Wall  
London EC2M 5TQ

### **Custodian**

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

### **Independent Auditors**

PricewaterhouseCoopers LLP  
Hay's Galleria  
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London SE1 2RD

### **Registrar**

Equiniti Limited  
Aspect House  
Spencer Road  
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West Sussex BN99 6DA

Shareholder Helpline: 0800 032 0641\*

Website: [www.shareview.co.uk](http://www.shareview.co.uk)

\*Calls to this number are free of charge from landlines.

### **Stockbrokers**

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Cannon Bridge House  
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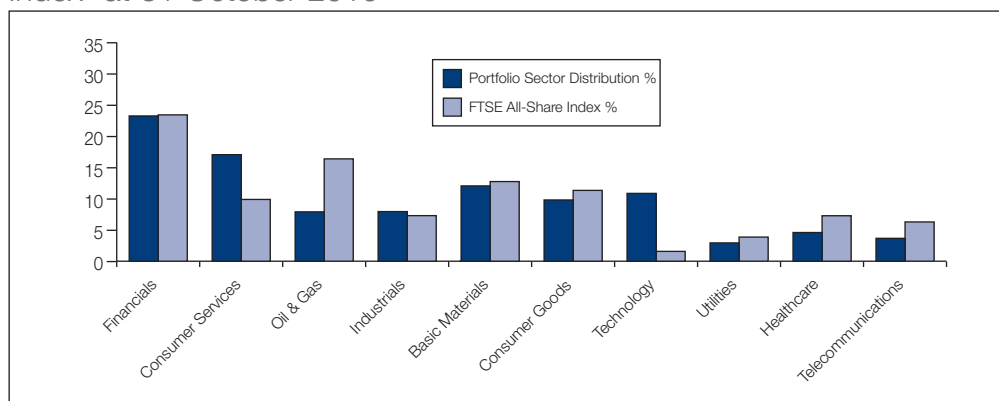
## Financial Highlights

	<b>31 October 2010</b>	30 April 2010	% Change
Net asset value per ordinary share (undiluted)	<b>134.78p</b>	128.38p	5.0
Net asset value per ordinary share (diluted)	<b>132.22p</b>	125.78p	5.1
Ordinary share price	<b>124.50p</b>	117.25p	6.2
Subscription share price	<b>13.75p</b>	11.25p	22.2
Ordinary share price discount	<b>5.8%</b>	6.8%	
Total assets	<b>£233.4m</b>	£222.1m	5.1
Borrowings	<b>£25.0m</b>	£25.0m	0.0
Shareholders' funds	<b>£208.4m</b>	£197.1m	5.7
Market capitalisation (excluding subscription shares)	<b>£192.5m</b>	£180.0m	6.9
Ordinary shares in issue	<b>154.6m</b>	153.5m	0.7
Subscription shares in issue	<b>30.0m</b>	31.2m	(3.8)
	<b>Six months ended 31 October 2010</b>	Six months ended 31 October 2009	
Dividends per ordinary share	<b>1.25p</b>	1.25p	
Net asset value total return*	<b>6.5%</b>	27.0%	
Ordinary share price total return	<b>7.6%</b>	22.8%	
FTSE All-Share Index total return**	<b>4.2%</b>	21.2%	

\*Source: Morningstar ([www.morningstar.co.uk](http://www.morningstar.co.uk))

\*\*Source: Thomson Financial Datastream

## Comparison of Portfolio Sector Distribution with the FTSE All-Share Index\* at 31 October 2010



\*Sector distribution positions are shown on the left, benchmark positions are shown on the right.

## Ten Largest Investments

As at 31 October 2010

<b>Company and Activity</b>	<b>Market value of holding £'000</b>	<b>Percentage of Shareholders' funds</b>
<b>Lloyds Banking Group</b> Banking and financial services group.	9,593	4.6
<b>Xstrata</b> Global diversified mining group.	9,461	4.5
<b>Royal Dutch Shell 'B'</b> Integrated oil group.	9,115	4.4
<b>Misys</b> Global application and software services provider.	9,018	4.3
<b>Rio Tinto</b> Global diversified mining group.	8,768	4.2
<b>BG Group</b> Oil and gas exploration and production group.	7,956	3.8
<b>Virgin Media</b> Telecommunications and media services provider.	7,915	3.8
<b>BHP Billiton</b> Global diversified mining group.	7,801	3.7
<b>British Airways</b> International airline.	7,795	3.7
<b>Standard Chartered</b> Banking and financial services group.	7,694	3.7
<b>Total</b>	<b>85,116</b>	<b>40.7</b>

As at 30 April 2010, the ten largest investments represented 39.9% of Shareholders' Funds.

## Chairman's Statement

### Performance

Following the substantial gains in net asset value for the year ended 30 April 2010, we have seen a further advance in the Company's net asset value during the six months ended 31 October 2010. The total return of 6.5% for the period compares favourably with a total return of 4.2% achieved by the FTSE All-Share Index over the same period. The ordinary share price total return, meanwhile, was 7.6%.

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

### Dividends

The Directors have declared an unchanged first interim dividend of 1.25p per share for the year ending 30 April 2011 (2010: 1.25p). The first interim dividend will be payable on 31 January 2011 to shareholders on the Register on 7 January 2011.

### Gearing Policy

The Company maintains a credit facility of £25 million with ING Bank, which has remained fully drawn throughout the period. Net effective gearing (which takes account of cash held in the portfolio as well as borrowings) was 5.6% at the beginning of the period under review but this had decreased to 3.6% at 31 October 2010. In most recent weeks gearing has been gradually increased again.

The Company's gearing level continues to operate well within pre-agreed limits set by the Board which stipulate that gearing should not represent more than 20% of shareholders' funds. The Board remains of the view that gearing can enhance performance over time and provides a valuable investment tool for the Manager.

### 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 (based on diluted, capital only net asset values) was 5.1% and the Board did not purchase any shares for cancellation. The Directors do, however, continue to keep the discount under close review and will purchase shares, if required, in accordance with its formal discount management policy.

### Subscription Shares

A total of 1,341,414 Subscription shares have been converted to ordinary shares at the initial subscription price of 113p per share. The subscription price for the next two subscription dates on 31 January and 31 July 2011 will be 119p per share, which compares with the current share price of 130.25p per share (as at 17 December 2010). The subscription price will then increase to 129p per share for the 2012 subscription dates.

A Circular, reminding shareholders of the next subscription date on 31 January 2011, outlining procedures for subscription and setting out the base costs for subscription shares for capital gains tax purposes, will be available on the Company's website and will be sent to all those subscription shareholders who have requested printed documents, with the half yearly Report.

## Chairman's Statement

### **Outlook**

The Company's net assets and share price have recovered well from their low points in the Spring of 2009 and our Manager is optimistic that further strength will be seen as we move into 2011. The worst fears about both the UK and the world economy look now to have been excessively gloomy. Although substantial risks remain, there is confidence to be drawn from the generally robust state of the UK corporate sector and our portfolio companies are judged as being well placed to face the challenges that lie ahead.

### **Alan Clifton**

Chairman

23 December 2010

## Investment Manager's Review

### Performance

During the six months to 31 October 2010 the Company's net asset value produced a total return of 6.5%, compared to 4.2% by the FTSE All-Share Index (source: Morningstar and Thomson Financial Datastream).

The portfolio continues to benefit from the Company's policy of concentrating on our highest conviction stocks. Out-performance during the period came primarily from stock selection in the oil sector, and in particular from holding Dana Petroleum (for which there was a bid) rather than BP whose share price fell sharply following its oil spill in the Gulf of Mexico. Burberry and Experian continued their strong performance, on the back of further good news in their profit statements, while there was a good contribution from the recently-purchased Virgin Media.

One disappointment was Taylor Wimpey, a holding that was being bought as the share price fell through the period. We continue to believe in its recovery potential, but with hindsight we could have waited longer before starting to buy. There was also underperformance by Autonomy and Invensys, both companies in which we have confidence for the longer term.

### Market Background

Although investors remain sensitive to bad news it is reassuring how much of recent economic and corporate news has been better than expected. Positive surprises on a range of US data kept the market buoyant, as did UK-specific factors. The Comprehensive Spending Review was well received, and preliminary estimates of Q3 GDP growth showed the UK economy grew at twice the pace of consensus estimates. Overall the market has moved to the top end of its trading range of the last two years.

Apart from selling the Dana holding in its takeover bid, adding to Taylor Wimpey and gently reducing the gearing, activity in the portfolio was relatively low during the period under review.

### Outlook

The market's rally has been impressive. Nascent M&A activity has offered the market support, as have expectations of further quantitative easing in the US. With the latter now fully priced in, and with macro-headwinds to be faced, the market is likely to stay range bound in the near future.

Next year, however, we expect the market to break out of the range to the upside. Corporates are cash rich, and as companies realise that the economy is not headed for a double dip recession, capital expenditure will rise. We expect the recent pick-up in M&A to become more prevalent, mothballed projects to be put into action, and hiring to resume. Moreover, UK stocks remain relatively undervalued. All these factors point to a robust rally in 2011.

Current policy is similar to that of the last six months: a concentrated list of our high-conviction stocks, with a combination of recovery stocks (for example High Street retailers, domestic banks), long term growth companies (for example the miners, Misys), and companies we think are developing (for example Tate & Lyle, Resolution, Vallar). It is a portfolio expected to benefit from what we believe will be a rising market next year.

### Schroder Investment Management Limited

23 December 2010



## Income Statement

	<b>(Unaudited)</b> <b>For the six months</b> <b>ended 31 October 2010</b>			<b>(Unaudited)</b> <b>For the six months</b> <b>ended 31 October 2009</b>			<b>(Audited)</b> <b>For the year</b> <b>ended 30 April 2010</b>			
	<b>Note</b>	<b>Revenue</b> <b>£'000</b>	<b>Capital</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>	<b>Revenue</b> <b>£'000</b>	<b>Capital</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>	<b>Revenue</b> <b>£'000</b>	<b>Capital</b> <b>£'000</b>	<b>Total</b> <b>£'000</b>
Gains on investments held at fair value		-	<b>10,949</b>	<b>10,949</b>	-	34,938	34,938	-	62,168	62,168
Income	<b>2</b>	<b>2,430</b>	-	<b>2,430</b>	2,430	-	2,430	4,794	-	4,794
Investment management fee		<b>(126)</b>	<b>(293)</b>	<b>(419)</b>	(109)	(254)	(363)	(227)	(529)	(756)
VAT recoverable		-	-	-	122	284	406	122	284	406
Administrative expenses		<b>(301)</b>	-	<b>(301)</b>	(241)	-	(241)	(536)	-	(536)
Net return before finance costs and taxation		<b>2,003</b>	<b>10,656</b>	<b>12,659</b>	2,202	34,968	37,170	4,153	61,923	66,076
Interest payable and similar charges		<b>(80)</b>	<b>(187)</b>	<b>(267)</b>	(295)	(301)	(596)	(229)	(534)	(763)
Net return on ordinary activities before taxation		<b>1,923</b>	<b>10,469</b>	<b>12,392</b>	1,907	34,667	36,574	3,924	61,389	65,313
Taxation on ordinary activities		<b>(26)</b>	-	<b>(26)</b>	-	-	-	(96)	-	(96)
Net return after taxation attributable to equity shareholders		<b>1,897</b>	<b>10,469</b>	<b>12,366</b>	1,907	34,667	36,574	3,828	61,389	65,217
Net return per ordinary share	<b>4</b>	<b>1.23p</b>	<b>6.80p</b>	<b>8.03p</b>	1.22p	22.10p	23.32p	2.45p	39.21p	41.66p

The Total column of this statement is the Income Statement 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 2010 (Unaudited)				Warrant exercise reserve £'000	Capital reserves £'000	Revenue reserve* £'000	Total £'000
	Called-up share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Share purchase reserve £'000				
	Balance at 30 April 2010	38,695	18,933	594				
Net return from ordinary activities	-	-	-	-	-	10,469	1,897	12,366
Ordinary dividend paid	-	-	-	-	-	-	(2,302)	(2,302)
Purchase and cancellation of ordinary shares	(10)	10	-	(35)	-	-	-	(35)
Issue of ordinary shares on exercise of subscription shares	276	-	1,025	-	-	-	-	1,301
<b>At 31 October 2010</b>	<b>38,961</b>	<b>18,943</b>	<b>1,619</b>	<b>81,087</b>	<b>417</b>	<b>63,290</b>	<b>4,116</b>	<b>208,433</b>

	For the six months ended 31 October 2009 (Unaudited)				Warrant exercise reserve £'000	Capital reserves £'000	Revenue reserve* £'000	Total £'000
	Called-up share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Share purchase reserve £'000				
	Balance at 30 April 2009	39,219	18,050	985				
Net return from 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 year ended 30 April 2010 (Audited)				Warrant exercise reserve £'000	Capital reserves £'000	Revenue reserve* £'000	Total £'000
	Called-up share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Share purchase reserve £'000				
	Balance at 30 April 2009	39,219	18,050	985				
Net return from ordinary activities	-	-	-	-	-	61,389	3,828	65,217
Ordinary dividends paid	-	-	-	-	-	-	(5,413)	(5,413)
Purchase and cancellation of ordinary shares	(883)	883	-	(4,112)	-	-	-	(4,112)
Bonus issue of subscription shares	314	-	(314)	-	-	-	-	-
Subscription shares issue costs	-	-	(245)	-	-	-	-	(245)
Issue of ordinary shares on exercise of subscription shares	45	-	168	-	-	-	-	213
<b>At 30 April 2010</b>	<b>38,695</b>	<b>18,933</b>	<b>594</b>	<b>81,122</b>	<b>417</b>	<b>52,821</b>	<b>4,521</b>	<b>197,103</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 2010 £'000	(Unaudited) At 31 October 2009 £'000	(Audited) At 30 April 2010 £'000
	Note			
<b>Fixed assets</b>				
Investments held at fair value through profit or loss		215,965	189,753	207,538
		<b>215,965</b>	189,753	207,538
<b>Current assets</b>				
Debtors		284	314	1,089
Cash at bank and short-term deposits		17,515	19,704	14,103
		<b>17,799</b>	20,018	15,192
<b>Current liabilities</b>				
Creditors – amounts falling due within one year	6	(25,331)	(35,450)	(25,627)
<b>Net current liabilities</b>		<b>(7,532)</b>	(15,432)	(10,435)
<b>Net assets</b>		<b>208,433</b>	174,321	197,103
<b>Capital and reserves</b>				
Called-up share capital	7	38,961	39,533	38,695
Capital redemption reserve		18,943	18,050	18,933
Share premium account		1,619	426	594
Share purchase reserve		81,087	85,234	81,122
Warrant exercise reserve		417	417	417
Capital reserves		63,290	26,099	52,821
Revenue reserve		4,116	4,562	4,521
<b>Equity shareholders' funds</b>		<b>208,433</b>	174,321	197,103
<b>Net asset value per ordinary share (undiluted)</b>	8	<b>134.78p</b>	111.12p	128.38p
<b>Net asset value per ordinary share (diluted)</b>	8	<b>132.22p</b>	111.12p	125.78p

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

## Cash Flow Statement

	<b>(Unaudited)</b> <b>For the six months</b> <b>ended 31 October</b>	(Unaudited) For the six months ended 31 October	(Audited) For the year ended 30 April
	<b>2010</b> <b>£'000</b>	2009 £'000	2010 £'000
Net cash inflow from operating activities	<b>2,236</b>	3,481	4,169
Net cash outflow from servicing of finance	<b>(269)</b>	(592)	(769)
Taxation (paid)/received	<b>(52)</b>	8	(19)
Net cash inflow from investment activities	<b>2,535</b>	1,995	11,626
Equity dividends paid	<b>(2,302)</b>	(3,451)	(5,413)
Net cash inflow/(outflow) from financing	<b>1,264</b>	(191)	(13,945)
Net cash inflow/(outflow)	<b>3,412</b>	1,250	(4,351)
<b>Reconciliation of net cash flow to movement in net debt</b>			
Net cash inflow/(outflow)	<b>3,412</b>	1,250	(4,351)
Movement in borrowings	<b>–</b>	191	10,000
Movement in net debt resulting from cash flows	<b>3,412</b>	1,441	5,649
Net debt at 1 May	<b>(10,897)</b>	(16,546)	(16,546)
Net debt carried forward	<b>(7,485)</b>	(15,105)	(10,897)

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

## Notes to the Accounts

### 1. Principal risks and uncertainties, going concern, Directors' responsibility statement and accounting policies

The financial information for each of the six month periods ended 31 October 2010 and 31 October 2009 comprises non-statutory accounts within the meaning of sections 434 – 436 of the Companies Act 2006. The financial information for the year ended 30 April 2010 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, did not draw attention to any matters by way of emphasis and did not contain a statement under section 498(2) or (3) of the Companies Act 2006.

The principal risks and uncertainties associated with the Company's business fall into the following categories: financial risk; strategic risk; and accounting, legal and regulatory risk. A detailed explanation of the risks and uncertainties in each of these categories can be found on page 11 of the Company's published Annual Report and Accounts for the year ended 30 April 2010.

The Directors are of the opinion that it is appropriate to continue to adopt the going concern basis in accordance with the FRC's "Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009" in the preparation of the accounts as the assets of the Company consist predominantly of securities that are readily realisable and, accordingly, the Company has adequate financial resources to continue in operational existence for the foreseeable future.

The Directors confirm that, to the best of their knowledge, this set of condensed financial statements has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice (UK GAAP) and with 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.

### 2. Income

	(Unaudited) For the six months ended 31 October 2010	(Unaudited) For the six months ended 31 October 2009	(Audited) For the year ended 30 April 2010
	£'000	£'000	£'000
UK franked dividend income	1,699	1,784	3,542
UK unfranked dividend income	463	170	647
Stock dividends	224	141	300
	<b>2,386</b>	2,095	4,489
Interest on deposits	30	44	69
Interest overpaid in prior year	–	–	(165)
VAT reclaim interest from HMRC	–	291	291
Underwriting commission	14	–	110
	<b>2,430</b>	2,430	4,794

### 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. Return per ordinary share

	(Unaudited) For the six months ended 31 October 2010	(Unaudited) For the six months ended 31 October 2009	(Audited) For the year ended 30 April 2010
	£'000	£'000	£'000
Revenue	1,897	1,907	3,828
Capital	10,469	34,667	61,389
<b>Total</b>	<b>12,366</b>	36,574	65,217
Weighted average number of shares	<b>154,012,483</b>	156,876,900	156,562,761
Revenue	1.23p	1.22p	2.45p
Capital	6.80p	22.10p	39.21p
<b>Total</b>	<b>8.03p</b>	23.32p	41.66p

The Company has in issue 30,033,445 subscription shares which are next convertible into ordinary shares on 31 January 2011 and at the end of each six month period thereafter until 31 July 2012. Further details of the conversion prices are given in note 7 on page 12. As at 31 October 2010, there was no dilution of the return per ordinary share in respect of the conversion rights attaching to the subscription shares.

### 5. Dividends

The first interim dividend for the year ending 30 April 2011 of 1.25 pence per ordinary share will be paid on 31 January 2011 to shareholders on the register at 7 January 2011.

On 30 July 2010 the Company paid a second interim dividend of 1.50 pence per share for the year ended 30 April 2010.

## Notes to the Accounts

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

Included within creditors of £25.3m is a loan of £25.0m (31 October 2009: £35.0m, 30 April 2010: £25.0m) drawn down under the Company's facility with ING Bank N.V.

## 7. Called-up share capital

	(Unaudited) At 31 October 2010 £'000	(Unaudited) At 31 October 2009 £'000	(Audited) At 30 April 2010 £'000
Authorised:			
1,271,244,984 ordinary shares of 25p each	317,811	317,811	317,811
31,375,400 subscription shares of 1p each	314	314	314
Allotted, Called-up and Fully paid:			
Ordinary shares in issue:			
Opening balance 153,532,049 (31 October 2009 and 30 April 2010: 156,876,900) ordinary shares	38,383	39,219	39,219
Purchase and cancellation of 41,000 (31 October 2009: nil; 30 April 2010: 3,533,772) ordinary shares	(10)	-	(883)
Issue of 1,152,493 (31 October 2009: nil; 30 April 2010: 188,921) ordinary shares on exercise of subscription shares	288	-	47
Closing balance 154,643,542 (31 October 2009: 156,876,900; 30 April 2010: 153,532,049) ordinary shares of 25p	38,661	39,219	38,383
Subscription shares:			
Opening balance of 31,185,938 (31 October 2009 and 30 April 2010: nil) subscription shares of 1p each	312	-	-
Bonus issue of nil (31 October 2009 and 30 April 2010: 31,374,859) subscription shares	-	314	314
Exercise of 1,152,493 (31 October 2009: nil; 30 April 2010: 188,921) subscription shares converted into ordinary shares	(12)	-	(2)
Closing balance 30,033,445 (31 October 2009: 31,374,859; 30 April 2010: 31,185,938) subscription shares of 1p	300	314	312
Total share capital	38,961	39,533	38,695

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 remaining conversion prices have been determined as follows:

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

## 8. Net asset value per ordinary share

	(Unaudited) 31 October 2010 £'000	(Unaudited) 31 October 2009 £'000	(Audited) 30 April 2010 £'000
Undiluted:			
Net assets attributable to ordinary shareholders	208,433	174,321	197,103
Ordinary shares in issue at end of period	154,643,542	156,876,900	153,532,049
Net asset value per ordinary share (undiluted)	134.78p	111.12p	128.38p
Diluted:			
Net assets attributable to ordinary shareholders	244,173	174,321	232,343
Ordinary shares in issue at end of period if subscription shares converted	184,676,987	156,876,900	184,717,987
Net asset value per ordinary share (diluted)	132.22p	111.12p	125.78p

The diluted net asset value per ordinary share has been calculated on the assumption that 30,033,445 subscription shares in issue were converted at 119 pence per share, resulting in a total number of shares in issue of 184,676,987 (31 October 2009: no dilution; 30 April 2010: 31,185,938 subscription shares converted at 113 pence per share, resulting in total number of ordinary shares in issue of 184,717,987).

## Company Summary

### The Company

Schroder UK Growth Fund plc is an independent investment trust whose shares are listed on the London Stock Exchange. As at 23 December 2010, the Company had 154,643,542 ordinary shares of 25p each and 30,033,445 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 at five yearly intervals. The next resolution for the continuation of the Company will be put to shareholders at the Annual General Meeting 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 0800 032 0641.

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)