

Schroder UK Growth Fund plc

Half Year Report and Accounts for the six months ended 31 October 2015



Schroders

Investment Objective and Advisers

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)
Bob Cowdell
Carolyn Dobson
Andrew Hutton
Stella Pirie OBE

Alternative Investment Fund Managers ("AIFM") Directive

Certain pre-sale, regular and periodic disclosures required by the AIFM Directive may be found either in this Report or on the web at www.schroders.co.uk/its.

Non-Mainstream Pooled Investments ("NMPI") Status

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Advisers

Alternative Investment Fund Manager ("Manager")

Schroder Unit Trusts Limited
31 Gresham Street
London EC2V 7QA

Investment Manager and Company Secretary

Schroder Investment Management Limited
31 Gresham Street
London EC2V 7QA

Registered Office

31 Gresham Street
London EC2V 7QA
Telephone: 020 7658 3206

Lending Bank

Scotiabank Europe PLC
201 Bishopsgate
6th Floor
London EC2M 3NS

Depositary and Custodian

HSBC Bank plc
8 Canada Square
London E14 5HQ

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London SE1 2RT

Corporate Broker

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

Registrar

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

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

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Financial Highlights

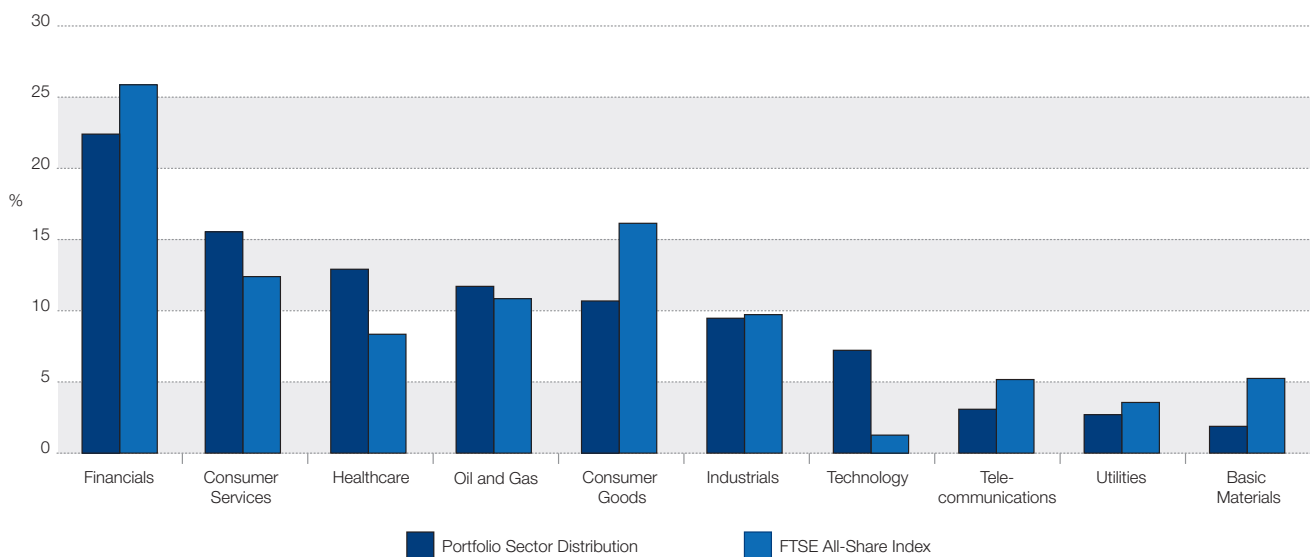
Total returns (including dividends reinvested)	For the six months ended 31 October 2015
Net asset value ("NAV") per share ¹	(5.3)%
Share price ¹	(5.7)%
Benchmark ²	(5.7)%

¹Source: Morningstar.

²Source: Thomson Reuters. The Company's benchmark is the FTSE All-Share Index total return.

	31 October 2015	30 April 2014	% Change
Shareholders' funds (£'000)	276,967	298,837	(7.3)
Shares in issue	160,530,184	160,917,184	(0.2)
NAV per share	172.53p	185.71p	
Share price	154.25p	167.00p	
Share price discount to ex income NAV	9.2%	8.4%	

Comparison of Portfolio Sector Distribution with the FTSE All-Share Index at 31 October 2015



Source: Schroders/Thomson Reuters.

Ten Largest Investments

At 31 October 2015

Company and principal activity	Market value of holding £'000	% of total equity shareholders' funds
GlaxoSmithKline Pharmaceuticals manufacturer	17,210	6.2
British American Tobacco Cigarette manufacturer	12,294	4.4
BP Integrated oil and gas producer	12,095	4.4
AstraZeneca Biopharmaceutical research	12,054	4.4
Barclays Banking services provider	11,703	4.2
Royal Dutch Shell Integrated oil and gas producer	11,480	4.1
Imperial Tobacco Cigarette manufacturer	11,223	4.1
HSBC Banking services provider	10,402	3.8
Aviva Insurance and financial services provider	10,265	3.7
RELX¹ Professional publisher	10,159	3.7
TOTAL²	118,885	43.0

¹RELX changed its name from Reed Elsevier in February 2015.

²At 30 April 2015, the ten largest investments represented 43.1% of total equity shareholders' funds.

Interim Management Report – Chairman’s Statement

Performance

During the six month period to 31 October 2015, the Company’s NAV produced a total return of -5.3%, marginally outperforming the Benchmark index which showed a total return of -5.7%. The share price produced a total return of -5.7%. Further comment on performance and investment policy may be found in the Manager’s Review.

Earnings and dividends

The Directors have declared a first interim dividend of 2.60p per share for the year ending 30 April 2016 (2015: 2.50p). The first interim dividend will be payable on 29 January 2016 to shareholders on the Register on 8 January 2016.

Gearing policy

The Company has access to gearing through a combination of a revolving credit facility and an overdraft.

Throughout the period the credit facility remained undrawn and the net cash position remained at a similar level, reducing from 3.6% to 3.3%. The Manager will utilise the Company’s borrowing facility when suitable opportunities are judged to exist at appropriate valuations. The Board has set pre-agreed limits so that net effective gearing does not represent more than 20% of shareholders’ funds.

Discount management policy

The Board currently has a policy towards the average discount of the Company’s share price to its ex income NAV which seeks to restrict this to no more than 5% over the long term. The recent testing market environment has posed a substantial challenge to this stated policy.

The discount to ex income NAV at 31 October 2015 was 9.2%, compared to 8.4% at the beginning of the period and the average discount during the period was 7.8%. The Directors keep the discount under close review and in support of the discount policy, a total of 387,000 shares were bought back by the Company during the period to be held in Treasury.

Management fee

I reported in my statement for the six months to 31 October 2014, that a fee holiday to cover the entire cost of the transition of the portfolio was agreed as one of the conditions of Schroders’ re-appointment as Manager in October 2014. The fee holiday came to an end during December 2015 and a reduced management fee of 0.5% p.a. is now payable.

Board composition and succession planning

As part of the Board’s long term succession planning, Andrew Hutton was appointed as Senior Independent Director and Chairman of the Nomination Committee in September 2015. Your Board has also reviewed its composition, balance and diversity and, in view of the length of service of a number of its members, it will be considering plans for refreshment in the coming year.

Interim Management Report – Chairman’s Statement

Outlook

The Company’s latest half year was a challenging period and many of the uncertainties troubling investors remain to be resolved. Furthermore, our Manager continues to believe that overall UK share valuations are not especially attractive, notwithstanding the weakness in stock prices since the market high reached in the summer. Our current portfolio, however, has been constructed from among those companies judged to offer a compelling combination of value and quality and which have the potential to produce very satisfactory returns on capital. When the broader outlook is more appealing, shareholders can expect to see the emergence of a more aggressive stance, including the use of our gearing facility.

Alan Clifton

Chairman

23 December 2015

Interim Management Report – Manager’s Review

Market background

The past six months have been a difficult and volatile time for UK equities as a number of global uncertainties influenced global markets. The FTSE All-Share Index fell 5.7% (source: Thomson Reuters).

Markets were initially impacted by concerns surrounding negotiations between Greece and its international creditors, with a potential exit from the European Union seemingly possible, but these worries were supplanted by fears about emerging markets growth, and particularly the outlook for China. At the same time, comments about the prospect of an interest rate rise in the US in September further strained the fragile sentiment towards emerging markets, most acutely felt in falling commodity markets.

October provided a period of respite as weak US employment data tempered expectations that US rates would rise in 2015 (which did indeed happen after the end of the period under review). Elsewhere, monetary policy was more supportive as the Chinese authorities further reduced interest rates and the president of the European Central Bank hinted that further quantitative easing measures would be considered. The Bank of England kept policy rates unchanged and comments from the Governor of the Bank of England suggested that the timing of the first UK interest rate rise would be deferred.

Within the stock market, the dominant factor was underperformance of commodity-related stocks such as miners and oil companies, whilst mid cap stocks outperformed large cap stocks.

Portfolio performance

The NAV cum income return over the past six months was -5.3%, marginally outperforming the FTSE All-Share Index which was down -5.7% (source: Morningstar/Thomson Reuters).

At a stock level, cruise line operator Carnival was the Company’s top contributor. Their second-quarter results served to underline a gradual recovery in depressed yields on the back of solid demand and industry capital discipline. The company has also been a beneficiary of the lower price of oil.

Accounting and payroll software provider Sage Group performed well in the run up to a robust set of full-year results. The market focused on the company’s resilient cash-generative growth potential, and the new management team meeting its organic revenue growth and operating profit margin targets, underpinning an 8.1% increase in the final dividend.

Business information group RELX (previously Reed Elsevier) was another key position, with solid third-quarter results reiterating another year of underlying revenue, profit and earnings growth. The Company also benefited from not owning miners Anglo American and BHP Billiton.

On the negative side, not owning beverage company SABMiller (after it agreed to combine with AB InBev), and consumer goods group Reckitt Benckiser Group (as consumer goods shares did well) detracted from performance relative to the index. Additionally, weak energy prices were a drag on Drax Group, the power generation business.

Interim Management Report – Manager’s Review

Portfolio activity

We reduced our position in Ladbrokes following announcement of the proposed merger with Coral. Although the deal offers cost synergies, Ladbrokes’ balance sheet deterioration leaves little downside protection pre and post-merger.

Following strong share price performances we reduced holdings in housebuilders Crest Nicholson and Taylor Wimpey, and exited positions in the London Stock Exchange Group and Regus. Similarly we reduced the holdings in QinetiQ Group, enterprise software group Sage Group, wealth manager St. James’s Place and BT. These stocks have all performed well since their inclusion in the portfolio and the shares more fully reflect the outlook for the business.

Proceeds have been reinvested into shares which had not performed as strongly, including in the aerospace and defence sector, eg BAE Systems. We took advantage of volatility in oil and gas service names by adding Wood Group to the portfolio. The valuation appears to be discounting a significant downturn in profits, and given the strength of its balance sheet the company looks well positioned to withstand this.

We added to the holding in Daily Mail and General Trust following the full-year results and in the wake of share price weakness. Our view remains that the group’s new flagship digital information service for the insurance industry, RMS (one), offers significant long-term potential. We also added to the holding in GlaxoSmithKline, where we continue to believe that the growth drivers for its HIV/Aids drugs, vaccines and consumer health business are being overlooked by the market.

We added to the positions in Partnership Assurance Group and Just Retirement Group. The companies operate in the enhanced annuity space, which has suffered following the pension reforms in the 2014 budget, and the market has welcomed their decision to unite and simultaneously raise new capital. There are tentative signs that the falls in the individual annuity market have bottomed and could begin to offer a renewed avenue for growth to complement the bulk purchase annuity market where they have recently focused their attention.

Policy

We have kept the Company’s portfolio cautiously positioned, and currently are not utilising the gearing facility as we remain concerned that the valuation for the average stock in the market remains high.

Valuation dispersion within the market has started to move up and we have selectively rotated the portfolio to take advantage of value opportunities as they emerge. However, value remains concentrated into a narrow group of sectors and we are aware that many of these sectors are exposed to weakening commodity prices and dividends and balance sheets are at risk.

Recent levels of market volatility are reminiscent of periods of market fear such as the Eurozone crisis. Historically these have been proven to be good opportunities to increase risk within the portfolio, however, average valuations are not as supportive as there were on those previous occasions. Market levels remain high, driven by historically low bond yields which underpin the relative attractiveness of the asset class, whilst encouraging greater levels of mergers and acquisitions.

The prospects for the market’s more domestically-focused companies remain reasonably positive, although this has not gone unrecognised by the market. Falling unemployment and signs of real wage growth coming through should support the British consumer. Interest rate rises, when they materialise, have been well

Interim Management Report – Manager’s Review

telegraphed and are likely to be relatively small. However, the impact of a rising minimum wage is likely to act as a headwind to profit growth for many companies exposed to this favourable demand backdrop and increased volatility is anticipated as the vote on Britain’s position within the EU approaches. Taking a more global viewpoint the market is struggling to make progress as liquidity is removed from the US economy. The impact of an appreciating currency and the prospect of rising US interest rates is not only tempering the outlook for US corporate profits but is also leading to knock-on effects in emerging markets and the commodity complex.

Our investment approach forces a constant re-evaluation of where the best combination of value and quality lies in the market. We are seeking to invest in companies which appear cheap in a cyclical context and which have the potential to produce decent returns on capital and ultimately cash returns to shareholders over the medium term. Defence and pharmaceutical companies and domestic banks appear to be good examples of this at the current time.

The market has placed certain companies, whose earning streams appear relatively resilient or are able to deliver strong organic growth, on high share valuations. We have reduced exposure to such companies as St James’s Place, London Stock Exchange and BT. Whilst the value opportunity within the market has reduced, we continue to find new areas to invest but notice that there are a greater number of stocks that incorporate a self-help component to their investment case. As such, the domestic banks, Balfour Beatty, Tesco and FirstGroup all represent holdings where the primary investment case is more predicated on the successful implementation of an internal self-help programme, rather than depending on a continuation of the benign economic backdrop. The portfolio retains an overweight exposure to the media, software and tobacco sectors where we continue to believe the current valuations do not reflect the high returns and their strong cash generation.

Schroder Investment Management Limited
23 December 2015

Securities shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

Interim Management Report

Principal risks and uncertainties

The principal risks and uncertainties with the Company's business fall into the following categories: strategy and competitiveness risk; investment management risk; financial risks; accounting, legal and regulatory risk; custodian and depositary risk; and service provider risk. A detailed explanation of the risks and uncertainties in each of these categories can be found on pages 16 to 18 of the Company's published Annual Report and Accounts for the year ended 30 April 2015. These risks and uncertainties have not materially changed during the six months ended 31 October 2015.

Going concern

Having assessed the principal risks and uncertainties, and the other matters discussed in connection with the viability statement as set out on pages 18 and 19 of the published Annual Report and Accounts for the year ended 30 April 2015, the Directors consider it appropriate to adopt the going concern basis in preparing the accounts.

Related party transactions

Details of transactions with related parties, which under the Financial Conduct Authority's Listing Rules include the Manager, can be found on page 48 of the Company's published Annual Report and Accounts for the year ended 30 April 2015. There have been no material transactions with the Company's related parties during the six months ended 31 October 2015.

Directors' responsibility statement

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" issued in November 2014 and that this Interim Management Report includes a fair review of the information required by 4.2.7R and 4.2.8R of the FCA's Disclosure and Transparency Rules

Income Statement

for the six months ended 31 October 2015 (Unaudited)

	Note	(Unaudited) Six months ended 31 October 2015			(Unaudited) Six months ended 31 October 2014			(Audited) Year ended 30 April 2015		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments held at fair value through profit or loss		–	(19,968)	(19,968)	–	(22,363)	(22,363)	–	(3,593)	(3,593)
Income from investments		4,585	–	4,585	4,823	–	4,823	10,357	–	10,357
Other interest receivable and similar income		1	–	1	14	–	14	15	–	15
Gross return/(loss)		4,586	(19,968)	(15,382)	4,837	(22,363)	(17,526)	10,372	(3,593)	6,779
Investment management fee		–	–	–	(258)	(601)	(859)	(258)	(601)	(859)
Administrative expenses		(222)	–	(222)	(197)	–	(197)	(572)	–	(572)
Net return/(loss) before finance costs and taxation		4,364	(19,968)	(15,604)	4,382	(22,964)	(18,582)	9,542	(4,194)	5,348
Finance costs		–	–	–	(45)	(106)	(151)	(46)	(108)	(154)
Net return/(loss) on ordinary activities before taxation		4,364	(19,968)	(15,604)	4,337	(23,070)	(18,733)	9,496	(4,302)	5,194
Taxation on ordinary activities	3	4	–	4	–	–	–	(21)	–	(21)
Net return/(loss) on ordinary activities after taxation		4,368	(19,968)	(15,600)	4,337	(23,070)	(18,733)	9,475	(4,302)	5,173
Return/(loss) per share	4	2.72p	(12.44)p	(9.72)p	2.70p	(14.34)p	(11.64)p	5.89p	(2.67)p	3.22p

The “Total” column of this statement is the profit and loss account of the Company. The “Revenue” and “Capital” columns represent supplementary information prepared under guidance issued by The Association of Investment Companies. The Company has no recognised gains and losses other than those disclosed in the Income Statement and Statement of Changes in Equity.

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

Statement of Changes in Equity

for the six months ended 31 October 2015 (Unaudited)

	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share purchase reserve £'000	Warrant exercise reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 April 2015		40,229	9,875	19,759	78,071	417	142,012	8,474	298,837
Repurchase of ordinary shares into Treasury		-	-	-	(646)	-	-	-	(646)
Net (loss)/return on ordinary activities		-	-	-	-	-	(19,968)	4,368	(15,600)
Dividends paid in the period	5	-	-	-	-	-	-	(5,624)	(5,624)
At 31 October 2015		40,229	9,875	19,759	77,425	417	122,044	7,218	276,967

for the six months ended 31 October 2014 (Unaudited)

	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share purchase reserve £'000	Warrant exercise reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 April 2014		40,229	9,875	19,759	78,071	417	146,314	8,252	302,917
Net (loss)/return on ordinary activities		-	-	-	-	-	(23,070)	4,337	(18,733)
Dividends paid in the period	5	-	-	-	-	-	-	(5,230)	(5,230)
At 31 October 2014		40,229	9,875	19,759	78,071	417	123,244	7,359	278,954

for the year ended 30 April 2015 (Audited)

	Note	Called-up share capital £'000	Share premium £'000	Capital redemption reserve £'000	Share purchase reserve £'000	Warrant exercise reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 30 April 2014		40,229	9,875	19,759	78,071	417	146,314	8,252	302,917
Net (loss)/return on ordinary activities		-	-	-	-	-	(4,302)	9,475	5,173
Dividends paid in the year	5	-	-	-	-	-	-	(9,253)	(9,253)
At 30 April 2015		40,229	9,875	19,759	78,071	417	142,012	8,474	298,837

Statement of Financial Position

for the six months ended 31 October 2015 (Unaudited)

	Note	(Unaudited) 31 October 2015 £'000	(Unaudited) 31 October 2014 £'000	(Audited) 30 April 2015 £'000
Fixed assets				
Investments held at fair value through profit or loss		266,145	275,108	286,576
Current assets				
Debtors		1,688	126,153	1,741
Cash at bank and in hand		9,235	22,126	10,612
		10,923	148,279	12,353
Current liabilities				
Creditors: amounts falling due within one year		(101)	(144,433)	(92)
Net current assets		10,822	3,846	12,261
Net assets		276,967	278,954	298,837
Capital and reserves				
Called-up share capital	6	40,229	40,229	40,229
Share premium		9,875	9,875	9,875
Capital redemption reserve		19,759	19,759	19,759
Share purchase reserve		77,425	78,071	78,071
Warrant exercise reserve		417	417	417
Capital reserves		122,044	123,244	142,012
Revenue reserve		7,218	7,359	8,474
Total equity shareholders' funds		276,967	278,954	298,837
Net asset value per share	7	172.53p	173.35p	185.71p

Company registration number: 2894077

Notes to the Accounts

1. Financial statements

The information contained within the accounts in this half year report has not been audited or reviewed by the Company's auditors.

The figures and financial information for the year ended 30 April 2015 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditors which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

Basis of accounting

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice and with the Statement of Recommended Practice ("SORP") "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued in November 2014 and which superseded the SORP issued in January 2009.

All of the Company's operations are of a continuing nature.

The Company has adopted Financial Reporting Standard ("FRS") 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", FRS 104 "Interim Financial Reporting" and the amended SORP, all of which became effective for periods beginning on or after 1 January 2015. Some presentational changes are required, following the adoption of these new standards, however there has been no change to the way the Company measures the numbers in the accounts.

The changes to these accounts required by FRS 102, FRS 104 and the amended SORP may be summarised briefly as follows:

- the reconciliation of movements in shareholders' funds has been renamed "Statement of changes in equity";
- the balance sheet has been renamed "Statement of financial position";
- the Company no longer presents a statement of cash flows or the related note, as it is no longer required for an investment company which meets certain specified conditions; and
- new notes have been included entitled "Called-up share capital" and "Financial instruments measured at fair value".

Other than these changes, the accounting policies applied to these accounts are consistent with those applied in the accounts for the year ended 30 April 2015.

3. Taxation on ordinary activities

The Company's effective corporation tax rate is nil, as deductible expenses exceed taxable income. Taxation on ordinary activities comprises overseas tax deducted at source, net of any rebates.

4. (Loss)/return per share

	(Unaudited) Six months ended 31 October 2015 £'000	(Unaudited) Six months ended 31 October 2014 £'000	(Audited) Year ended 30 April 2015 £'000
Revenue return	4,368	4,337	9,475
Capital loss	(19,968)	(23,070)	(4,302)
Total (loss)/return	(15,600)	(18,733)	5,173
Weighted average number of shares in issue during the period	160,530,184	160,917,184	160,917,184
Revenue return per share	2.72p	2.70p	5.89p
Capital loss per share	(12.44)p	(14.34)p	(2.67)p
Total (loss)/return per share	(9.72)p	(11.64)p	3.22p

Notes to the Accounts

5. Dividends paid

	(Unaudited) Six months ended 31 October 2015 £'000	(Unaudited) Six months ended 31 October 2014 £'000	(Audited) Year ended 30 April 2015 £'000
Second interim dividend of 2.50p (2014: 2.25p)	4,017	3,621	3,621
Special dividend of 1.00p (2014: 1.00p)	1,607	1,609	1,609
First interim dividend of 2.50p	–	–	4,023
Total dividends paid in the period	5,624	5,230	9,253

A first interim dividend of 2.60p (2014: 2.50p) per share, amounting to £4,174,000 (2014: £4,023,000) has been declared payable in respect of the year ending 30 April 2016.

6. Called-up share capital

Changes in issued shares are as follows:

	(Unaudited) Six months ended 31 October 2015 £'000	(Unaudited) Six months ended 31 October 2014 £'000	(Audited) Year ended 30 April 2015 £'000
Opening balance of 160,917,184 (31 October 2014 and 30 April 2015: same) shares of 25p each	40,229	40,229	40,229
Repurchase of 387,000 (six months ended 31 October 2014 and year ended 30 April 2015: nil) shares into Treasury	(97)	–	–
Subtotal of 160,530,184 (31 October 2014 and 30 April 2015: 160,917,184) shares	40,132	40,229	40,229
387,000 (31 October 2014 and 30 April 2015: nil) shares held in Treasury	97	–	–
Closing balance of 160,917,184 (31 October 2014 and 30 April 2015: same) shares of 25p each, including shares held in Treasury.	40,229	40,229	40,229

7. Net asset value per share

Net asset value per share is calculated by dividing shareholders' funds by the number of shares in issue, excluding shares held in Treasury, at 31 October 2015 of 160,530,184 (31 October 2014 and 30 April 2015: 160,917,184).

8. Financial instruments measured at fair value

The Company's financial instruments that are held at fair value comprise its investment portfolio. At 31 October 2015, all investments in the Company's portfolio were categorised as level (a) in accordance with paragraph 11.27 of FRS 102. That is, they are valued using quoted bid prices in active markets (31 October 2014 and 30 April 2015: same).

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 2015, the Company had 160,530,184 Ordinary shares of 25p each in issue (not including 387,000 shares 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 2019.

Website and share price information

The Company has a dedicated webpage, which may be found at www.schroderukgrowthfund.com. The webpage 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 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".

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.

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. Calls to this number are free of charge from UK landlines.

Equiniti maintains 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 for more details.

AIFM Directive disclosures

Preferential treatment of investors

The Company's investors purchase shares on the open market and therefore the Company is not in a position to influence the treatment of investors. No investor receives preferential treatment.

Liquidity risk management

The Company's shares are traded on the London Stock Exchange through market intermediaries. There are no special rights to redemption.

Periodic and regular disclosure under the AIFM Directive

- (a) none of the Company's assets are subject to special arrangements arising from their illiquid nature;
- (b) there are no new arrangements for managing the liquidity of the Company including, but not limited to, any material changes to the liquidity management systems and procedures employed by the Manager in place. Shareholders will be notified immediately where the issue, cancellation, sale and redemption of shares is suspended, when redemptions are suspended or where other similar special arrangements are activated;
- (c) the current risk profile of the Company and the risk management systems employed by the Manager to manage those risks can be found in the Strategic Report; and
- (d) the total amount of leverage employed by the Company may be found on the web at www.schroders.co.uk/its.

Any changes to the following information will be provided through a regulatory news service without undue delay:

- (a) the maximum level of leverage which the Manager may employ on behalf of the Company; and
- (b) the right of re-use of collateral or any changes to any guarantee granted under any leveraging arrangement.

AIFM remuneration disclosures

The information required under the AIFM Directive to be made available to investors in the Company on request in respect of remuneration paid by the AIFM to its staff, and, where relevant, carried interest paid by the Company, can be found on the website www.schroders.co.uk/its.



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Dealing Codes

The dealing codes for the shares in the Company are as follows:

ISIN: GB0007913485
SEDOL: 0791348
Ticker: SDU

Global Intermediary Identification Number (GIIN)

A60BYK.99999.SL.826

