

Schroder Global Quality Equity Strategy Fact Sheet - 2Q11

Strategy overview

Global Quality is an alternative form of “growth” investing that offers strategic diversification from the more traditional Value style. We seek to achieve this by investing in quality companies that offer stable growth, are profitable and are financially strong while avoiding the disappointment associated with glamour stocks. We believe the strategy creates significant strategic diversification for investors looking to construct a more balanced equity portfolio. Global Quality targets a long run return of +3% per annum (gross of fees) above the MSCI World Index (NDR).

Key features

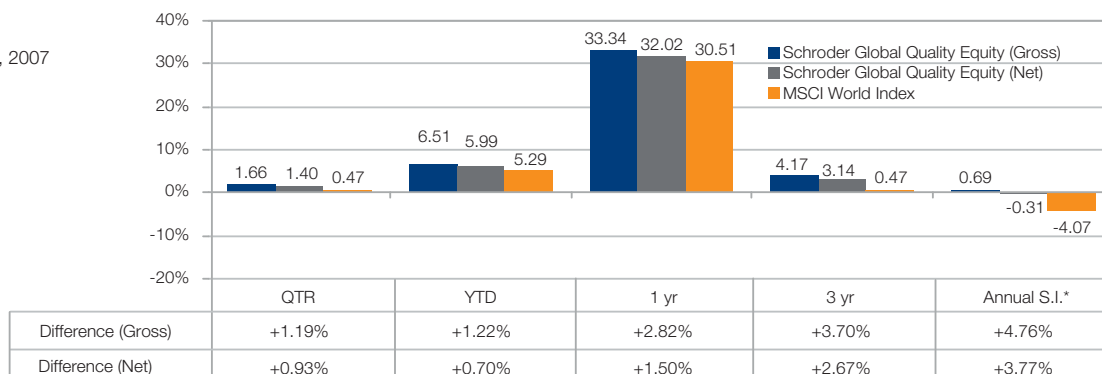
- Higher risk adjusted returns:** Global Quality offers long-term returns in excess of the global market but with lower risk. High quality stocks tend to outperform when risk aversion is high such as in economic downturns and stressful market environments. These are times when longer run strategies can struggle to add value.
- An unconstrained approach:** Unconstrained bottom-up regional and sector allocations are the result of analyzing Quality at an individual stock level. This leads to a more efficient portfolio and consequently higher long run returns.
- A highly diversified portfolio:** We maximize the opportunity by systematically analyzing more than 5,000 stocks globally and minimize stock risk by constructing a highly diversified portfolio that avoids the return drag typically associated with the inefficiency of market-cap weighting.
- An alternative to Value:** Global Quality invests in very different stocks compared with those associated with Value based strategies, offering strategic diversification benefits from traditional investment approaches.

Team highlights

- Over 11 years track record in managing global equity portfolios
- Team managers \$23.4 billion in assets
- Investment philosophy is based upon combining fundamental data and well-researched behavioral insights
- Considerable emphasis is placed on construction and genuine diversification of risk

Composite performance

As of June 30, 2011
*Inception October 31, 2007



	YTD 2011	2010	2009	2008
Gross	6.51%	18.02%	34.93%	-38.54%
Net	5.99%	16.85%	33.59%	-39.15%
Benchmark	5.29%	11.76%	29.99%	-40.71%
Difference (Gross)	+1.22%	+6.26%	+4.94%	+2.17%
Difference (Net)	+0.70%	+5.09%	+3.61%	+1.56%

Past performance is not necessarily a guide to future performance. The value of an investment can go down as well as up and is not guaranteed. Please refer to important information regarding the composite at the end of this document.

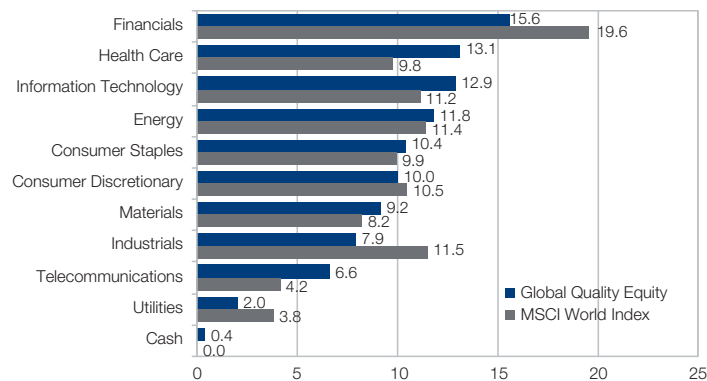
All data and statistics as of June 30, 2011

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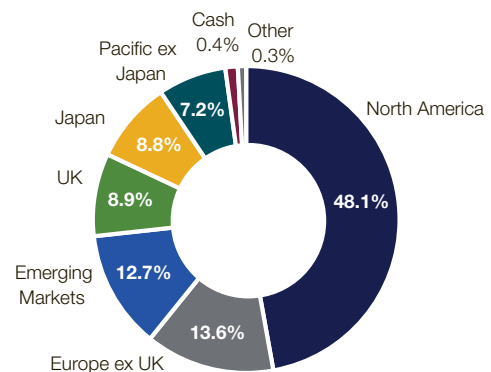
Schroders

Sector allocation



Source: Schroders, MSCI as of June 30, 2011.

Regional allocation



Source: Schroders, MSCI as of June 30, 2011.

Sectors/Regions listed are shown for illustrative purposes and are not to be considered a recommendation to buy or sell.

Portfolio & risk statistics

	Global Quality Equity	MSCI World Index
Number of holdings	541	1633
Weighted average market cap (\$billions)	32.5	63.3
Price to earnings ratio (trailing 12 month)	13.3	15.3
Price to earnings ratio (forward 12 month)	12.8	13.9
Price to book (trailing 12 month)	2.7	2.0
Return on equity (5 years)	23.7	15.9
Tracking error (since inception)	4.05	-
Dividend yield	2.6	2.4
Beta (since inception)	0.91	-

Source: Schroders, MSCI as of June 30, 2011. Inception date October 31, 2007.

Top ten holdings

	Country	% of Total Market Value
1. Canadian Oil Sands Limited	Canada	0.65
2. AstraZeneca PLC	United Kingdom	0.64
3. Eli Lilly and Company	United States	0.63
4. Chevron Corporation	United States	0.63
5. Microsoft Corporation	United States	0.60
6. BASF SE NPV	Germany	0.59
7. Abbott Laboratories	United States	0.58
8. Cliffs Natural Resources Incorporated	United States	0.57
9. Gilead Sciences Incorporated	United States	0.57
10. General Dynamics Corporation	United States	0.56
Total		6.01

Source: Schroders, as of June 30, 2011.

Securities listed are shown for illustrative purposes and are not to be considered a recommendation to buy or sell.

Quarterly Commentary

Market Review

Global equities rallied strongly in the last week of June in response to the successful vote on Greek austerity measures leaving the MSCI World index in marginally positive territory over the quarter. The Value index underperformed over the period while lower volatility stocks outperformed.

Unsurprisingly, Greece was the worst performing country in the MSCI World, down 18.0% in local terms. Finland also struggled over the three months, principally driven by the ongoing slide in Nokia's share price. Meanwhile, core European players, France and Germany, continued to perform strongly, as has been the case for most of 2011 to date. The best performing MSCI World market in USD terms, was New Zealand which received considerable support from the buoyant New Zealand Dollar. Emerging Markets lagged the MSCI World over the quarter with a muted performance over the year-to-date.

A number of defensive sectors outperformed strongly over the review period with consumer staples and health care leading the pack. However, returns in Utilities and Telecoms were much more subdued; this would suggest that, from a sector perspective at least, the second quarter could not be described as a wholesale "risk-off" market. Financials were, unsurprisingly, one of the worst performing sectors while Energy stocks succumbed to some profit-taking after the strong returns generated earlier this year.

Performance and Strategy

The strategy outperformed the index net of fees over the second quarter as investors focused on less risky, more stable and financially strong companies. This was driven by a reasonably diverse range of positive contributions from stock selection, spread across the majority of regions and sectors, including defensives, financials and materials. Our position overweight in the strongly performing health care sector also benefited the portfolio. The strategy's exposure to the technology sector, especially hardware and semiconductors, underperformed over the quarter.

Regionally, positive contributions in Pan Europe and Japan proved beneficial, as did our exposure to Emerging Markets.

The strategy remains highly diversified across both stocks and themes. We would expect market volatility to continue during 2011

Source: Schroders

Important Information

Schroders plc

Schroders is a global asset management company with \$328.7 billion under management as of June 30, 2011. Our clients are major financial institutions including banks and insurance companies, public and private pension funds, endowments and foundations, high net worth individuals, financial intermediaries and retail investors. Our aim is to apply our specialist asset management skills in serving the needs of our clients worldwide and in delivering value to our shareholders. With one of the largest networks of offices of any dedicated asset management company and over 335 portfolio managers and analysts covering the world's investment markets, we offer our clients a comprehensive range of products and services.

Further information about Schroders can be found at www.schroders.com/us.

Disclaimer

Portfolio data and risk characteristics based on a sample account. Details may vary from account to account.

This document does not constitute an offer to sell or any solicitation of any offer to buy securities or any other instrument described in this document. The information and opinions contained in this document have been obtained from sources we consider to be reliable. No responsibility can be accepted for errors of facts obtained from third parties. Reliance should not be placed on the views and information in the document when taking individual investment and/or strategic decisions. Schroders has expressed its own views and opinions in this document and these may change. Past performance is not necessarily a guide to future performance. The value of investments can go down as well as up and is not guaranteed.

Sectors/securities illustrate examples of types of sectors/securities in which the strategy invested and may not be representative of the strategy's current or future investments. Portfolio sectors/securities and allocations are subject to change at any time and should not be viewed as a recommendation to buy/sell.

The opinions stated in this document include some forecasted views. We believe that we are basing our expectations and beliefs on reasonable assumptions within the bounds of what we currently know. However, there is no guarantee that any forecasts or opinions will be realized.

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Schroder Investment Management North America Inc. ("SIMNA Inc.") is an investment advisor registered with the U.S. SEC. It provides asset management products and services to clients in the U.S. and Canada including Schroder Capital Funds (Delaware), Schroder Series Trust and Schroder Global Series Trust, investment companies registered with the SEC (the "Schroder Funds"). Shares of the Schroder Funds are distributed by Schroder Fund Advisors LLC, a member of the FINRA. SIMNA Inc. and Schroder Fund Advisors LLC are indirect, wholly-owned subsidiaries of Schroders plc, a UK public company with shares listed on the London Stock Exchange.

with shifting concerns about inflation and interest rate rises, on-going European sovereign debt crisis and political risk in the Middle East.

Outlook

Region, sector and size allocations within the strategy are determined by the identification of individual stock-level opportunities but the overall Quality strategy positioning can be summarized as follows:

- We are finding a range of valuations in defensive areas. The largest sector overweight remains health care (especially equipment and providers) despite the recent outperformance. Elsewhere, in consumer staples, opportunities are more mixed: food and drink companies are starting to look relatively expensive although we are still overweight food retail. Within the dividend yield-based defensive sectors, we prefer telecoms over utilities where balance sheets appear more stretched.
- We continue to identify quality stocks in the technology sector globally. These stocks typically offer a combination of high profitability and financial strength. Overall, the strategy is underweight cyclical stocks, however, we have recently begun to increase our exposure to some out-of-favour retail stocks within consumer discretionary. We retain our position underweight industrial machinery stocks which remain expensive.
- Within resources, most of the index-relative positioning is at an industry level where we prefer mining, coal, exploration and equipment companies. Regionally, Emerging Markets contribute a reasonable weight towards the Resources allocation.
- Within financials we retain a preference for insurers and asset managers. At a regional level we are underweight Europe and increasingly also underweight Pacific ex-Japan Financials. Given the high level of volatility within global Financials, we continue to believe that Financials will provide plenty of return opportunities during 2011.
- Regional allocations remain broadly unchanged: the strategy is underweight Europe in order to fund positions in Emerging Markets and the US.

Risk

All investments, domestic and foreign, involve risks including the risk of possible loss of principal. The market value of the portfolio may decline as a result of a number of factors, including adverse economic and market conditions, prospects of stocks in the portfolio, changing interest rates, and real or perceived adverse competitive industry conditions. Investing overseas involves special risks including among others, risks related to political or economic instability, foreign currency (such as exchange, valuation, and fluctuation) risk, market entry or exit restrictions, illiquidity and taxation. Emerging markets pose greater risks than investments in developed markets.

QEP - Global Quality

As of: December 31, 2010

The Global Quality Composite (the "Composite") is comprised of all Schroder Investment Management (UK & US), fully discretionary accounts which seek to achieve returns above the MSCI World (Net Dividends Reinvested) index through active investment in a diversified, quality growth style biased portfolio of equity and equity-related securities of companies worldwide. In order to achieve this objective, the Investment Manager will invest in a broadly diversified portfolio of securities selected through the application of quantitative investment techniques. None of the accounts in the Composite uses leverage.

Composite Construction

New accounts are included from the beginning of the first full month of management on a discretionary basis. Terminated accounts are excluded from the end of the last full month of discretionary management. This Composite has no minimum asset level for inclusion.

The composite currency is US Dollar

Composite Inception Date: 10/31/2007

Composite Creation Date: 02/01/2008

Definition of the Firm

The Firm is defined as all accounts managed by Schroder Investment Management in the UK and US, by wholly owned subsidiaries of Schroders PLC. Prior to January 1, 2007 SIM London & SIM North America existed as two separate Firms which were compliant & verified as separate entities until December 31, 2006. The consolidation of these two Firms was made as part of a move towards creating one global Firm. Composite and Firm assets reported prior to January 1, 2007 represent those of the legacy firm which managed the product.

GIPS Compliance and Verification

Schroder Investment Management (UK & US) claims compliance with the Global Investment Performance Standards GIPS® and has prepared and presented this report in compliance with the GIPS standards. Schroder Investment Management (UK & US) has been independently verified for the periods January 1, 1996 to December 31, 2010

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firms policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The QEP - Global Quality (the "composite") has been examined for the periods January 1, 2009 to December 31, 2010. The verification and performance examination reports are available upon request.

Calculation Methodology

The portfolio returns are time-weighted rates of return that are adjusted for cash flows. Portfolio returns are combined using beginning of period asset weights to produce the composite return. Periodic returns are geometrically linked to produce annual returns.

Dividends on equities are recognized net of irrecoverable withholding tax. Since January 1999 dividends have been recognized as of the ex-dividend date having previously been recognized on a cash basis. Performance results are presented before the deduction of management fees and custodian fees but after trading expenses.

The dispersion of annual returns is measured by the asset weighted standard deviation of portfolio returns represented within the composite for the full year provided a minimum of 5 portfolios are available.

Derivative instruments may be used for efficient portfolio management and currency management. Such instruments have not been used to leverage portfolios included in the composite.

Fee Schedule - The fee scale applied to the composite is 1.00% p.a.

The exchange rates used are provided by WM. Each currency is valued at 4 pm on the last business day of the month.

Additional information regarding policies for valuing portfolios, calculating and reporting returns and a description of all composites are available on request.

Composite Performance Results

Composite: QEP - Global Quality

Benchmark: MSCI World (Net Dividends Reinvested)

Currency: US Dollar

Gross Returns as of: Dec-31-2010

Firm: SIM-UKNA

Year	Gross Composite Return	Net Composite Return	Benchmark Return	Composite Risk ¹	Benchmark Risk ¹	Number of Portfolios (throughout period)	Account Dispersion ²	Market Value at end of Period (\$)	Average Account Value at end of Period (\$)	Percentage of Firm Assets	Total Firm Assets (\$) ⁴
2010	18.02%	16.85%	11.76%	17.98%	20.52%	6 (4)	n/a	4,898,645,526	816,440,921	2.41%	202,946,283,267
2009	34.93%	33.59%	29.99%	19.37%	23.45%	4 (3)	n/a	1,793,292,206	448,323,052	1.11%	161,183,088,770
2008	-38.54%	-39.15%	-40.71%	24.20%	23.81%	3 (1)	n/a	737,394,279	245,798,093	0.82%	89,646,473,692
2007	n/a	n/a	n/a	n/a	n/a	1 (n/a)	n/a	60,207,265	60,207,265	0.04%	161,124,537,714
Annualized 3 Year	-0.71%	-1.70%	-4.85%	22.35%	24.05%						
Annualized S.I. ³	-1.19%	-2.17%	-6.24%	21.75%	23.51%						

¹ Annualized standard deviation of gross monthly returns

² Asset weighted standard deviation of annual gross returns of accounts that have been in the composite for the entire year

³ Since Inception

⁴ Since December 31, 2003 Total Firm Assets include non-fee paying accounts. 2003 Total Firm Assets value has been restated due to the inclusion of those non-fee paying accounts.

Total Firm Assets from 2007 incorporate the UK & US firm merger as detailed in the Definition of the Firm

N/A - Information is not statistically meaningful due to an insufficient number of portfolios for the entire year