

Strategy summary

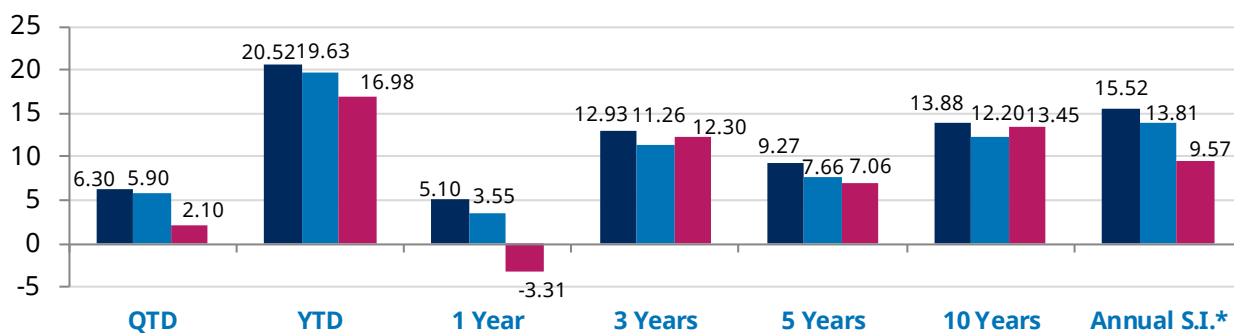
The US Small Cap Equity investment strategy is a bottom-up, fundamental and research-based approach. The portfolio managers and analysts seek to identify those companies that have compelling business models, a strong management team and attractive valuation levels. Sources of research include the company's management, competitors, suppliers and the media.

The portfolio of approximately 100 to 150 stocks is diversified by type of company, with approximately 50-70% of the portfolio invested in mispriced growth opportunities (which seek to provide capital growth), 20-50% in 'Steady Eddies' (i.e. companies with stable and dependable earnings and revenue characteristics) and 0-20% in turnarounds (companies with idiosyncratic growth potential).

Key features

- Flexible core investment style; able to reflect changing market dynamics throughout the economic cycle
- Bottom-up fundamental research provides the basis for stock selection
- Focus on companies with strong appreciation potential selling at reasonable valuations
- Invests in a combination of three distinct and complementary types of companies; seeks to reduce volatility and tends to offer a level of protection in down markets

Composite performance (%)



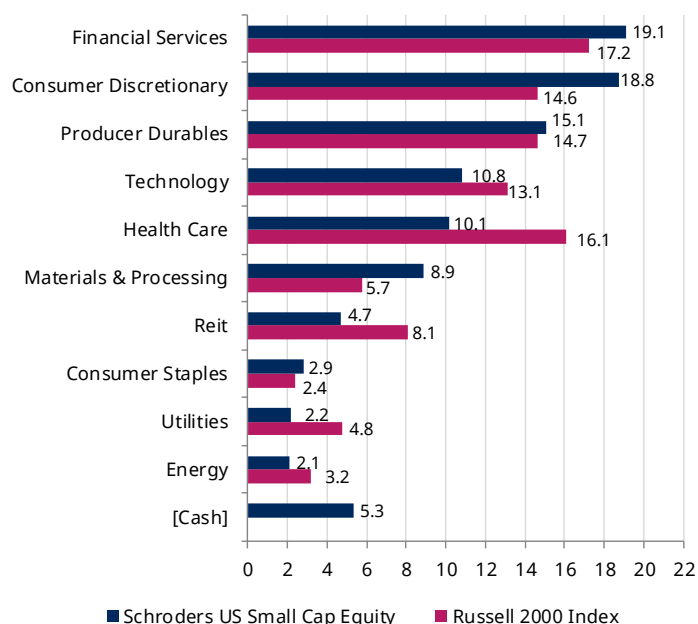
Difference (gross)	+4.20	+3.54	+8.41	+0.63	+2.21	+0.43	+5.95
Difference (net)	+3.80	+2.65	+6.86	-1.04	+0.60	-1.25	+4.24

■ Schroder US Small Cap Equity (gross) ■ Schroder US Small Cap Equity (net) ■ Russell 2000 Index

	2018	2017	2016	2015	2014
Gross	-9.82	15.52	20.28	-0.90	10.01
Net	-11.15	13.81	18.50	-2.37	8.38
Russell 2000 Index	-11.01	14.65	21.31	-4.41	4.89
Difference (gross)	+1.19	+0.87	-1.03	+3.51	+5.12
Difference (net)	-0.14	-0.83	-2.81	+2.05	+3.49

*Inception March 31, 1990
The Russell 2000 index measures the performance approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. The Russell 2000 serves as a benchmark for small-cap stocks in the United States. Past performance is not a guide to future performance. The value of an investment can go down as well as up and is not guaranteed. Please refer to the disclosures at the end of the document for important information about the composite. Performance for periods greater than 1 year is annualized. All data and statistics as of June 30, 2019.

Sector breakdown (%)



Portfolio and risk statistics

	Schroder US Small Cap Equity	Russell 2000 Index
Number of holdings	116	1,977
Wtd avg market cap (\$billion) ¹	4.11	2.59
EPS Growth (trailing 12 month) ²	11.20	13.20
P/E ratio (trailing 12 month) ³	25.70	34.40
P/E ratio (forward 12 month) ⁴	16.20	16.70
P/B ratio (trailing 12 months) ⁵	2.37	2.24
Return on equity (5 years) ⁶	13.40	10.00
Tracking error* (5 years) ⁷	3.92	—
Beta* (5 years) ⁸	0.83	—

Top ten holdings

	Industry	% of Total Market Value
ASGN Inc	Back Office Support, HR, and Consulting	1.69
Entegris, Inc.	Production Technology Equipment	1.37
Science Applications International Corp.	Computer Services Software & Systems	1.35
Generac Holdings Inc.	Power Transmission Equipment	1.34
Brown & Brown, Inc.	Insurance: Multi-line	1.33
ESCO Technologies Inc.	Scientific Instruments: Control & Filter	1.32
Brunswick Corporation	Recreational Vehicles & Boats	1.31
Graphic Packaging Holding Company	Containers & Packaging	1.30
WNS (Holdings) Limited Sponsored ADR	Business Process Management Services	1.29
PlayAGS, Inc.	Electronic Entertainment	1.28
	Total	13.60

Source: Schroders, Russell, The Bank of New York Mellon, as of June 30, 2019. The portfolio characteristics shown for the strategy are based on a representative account (unless otherwise noted) and the percentage measurements are based on relative market values. These characteristics are subject to change, should not be viewed as an investment recommendation and may vary among individual accounts within the strategy. Data may not add to 100% due to rounding.

Sector breakdown: Sectors listed are shown for illustrative purposes and are not to be considered a recommendation to buy or sell.

Portfolio and risk statistics: *Based upon composite. ¹An average that takes into account the proportional relevance of each component, rather than treating each component equally. Market cap is the market price of an entire company on any given day, calculated by multiplying the number of shares outstanding by the price per share. ²A measure of historical growth in a company's net income. ³The sum of a company's price-to-earnings, calculated by taking the current stock price and dividing it by the trailing earnings per share for the past 12 months. ⁴The sum of a company's price-to-earnings, calculated by taking the current stock price and dividing it by the trailing earnings per share projected for the next 12 months. ⁵A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share. ⁶The amount of net income returned as a percentage of shareholders' equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested. ⁷The annualized standard deviation of the active returns of a portfolio relative to the benchmark. ⁸A mathematical measure of the sensitivity of rates of return on a portfolio compared with rates of return on the market as a whole. A beta of 1.0 indicates that an asset closely follows the market; a beta greater than 1.0 indicates greater volatility than the market.

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

Schroder US Small Cap Core Equity Composite
Composite disclosures as of: December 31, 2017

Definition of the Firm

The Firm is defined as all accounts managed by Schroder Investment Management in the US, UK, Switzerland, Singapore, Hong Kong, Japan and Australia by wholly owned subsidiaries of Schroders PLC. Accounts managed by Schroders Adveq are excluded, Schroders Adveq claims compliance separately. Assets managed against a liability driven mandate or invested in direct property are excluded from the GIPS Firm. Advisory portfolios signed to Schroders Investment Management Hong Kong (SIMHK) are also excluded from the GIPS Firm. On January 1, 2017 the Schroders Investment Management GIPS Firm ("the Firm") was formed following the merger of independent regional Schroders Investment Management (SIM) GIPS Firms defined based predominantly on location of the investment desk and held out to clients or prospective clients as the following distinct firms: combined London/New York/Zurich (SIMUK/US & SIMSAG respectively), Singapore (SIMSL), Hong Kong (SIMHK), Australia (SIMAL) and Japan (SIMJP). These Firms were merged as a result of the increasingly global nature of the business, details of previous firm mergers are available upon request.

Composite Definition

Accounts included in the Schroder US Small Cap Core Equity Composite seek to achieve returns above the Russell 2000 (GDR) index by providing capital growth primarily through investment in equity securities of smaller US companies. Smaller US companies are considered companies which, at the time of purchase, form the bottom 30% by market capitalization of the US market. In May 2007 the name of the composite changed from SIMNA Small Cap Core Equity composite to Schroder US Small Cap Core Equity composite. This change does not affect the composite history or the investment strategy.

Composite Construction

The composite returns include all of the Firm's separate accounts and commingled funds which are discretionary, fee paying, tax exempt, above \$2 million in size and managed as described above. New accounts are included in the composite one full month after inception date to ensure the account has been fully invested. Terminated accounts are excluded from the composite at the end of the previous month. The composite's creation date is November 12, 2003. The composite's start date is March 31, 1990.

Performance Calculation

Composite returns are presented as gross returns, including cash, reinvestment of dividends, interest and other income earned in the period and are calculated on a trade date basis after transaction charges

(brokerage commissions). Each account's investment performance rate of return is calculated monthly in accordance with the 'time-weighted' rate of return method (Modified Dietz). Additional information regarding policies for valuing portfolios, calculating and reporting returns is available upon request. The Currency of the Composite is USD. Withholding Tax treatment may vary from portfolio to portfolio within this composite.

Fee Calculation

The composite has a model fee rate of 1.5% Management Fee per annum. Net returns have been calculated based upon the highest fee rate charged to each account in the composite. The highest fee applied to the composite is 1.50% per annum.

Dispersion

Internal dispersion is calculated using asset weighted standard deviation of all portfolios where there are at least 5 portfolios that are included in the composite for the entire year.

Leverage

None of the accounts in the Composite use leverage.

GIPS Compliance and Verification

Schroder Investment Management ('the Firm') claims compliance with the Global Investment Performance Standards GIPS® and has prepared and presented this report in compliance with the GIPS standards. The Firm has been independently verified for the periods January 1, 1996 to December 31, 2017. 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 Schroder US Small Cap Core Equity Composite (the "composite") has been examined for the periods January 1, 2015 to December 31, 2017. The verification and performance examination reports are available upon request.

Additional Information

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.

Risk Statistics Unavailability

Standard Deviations for composite and its benchmark that have not been active or in existence for 3 years or more are not provided in the presentation.

Composite: Schroder US Small Cap Core Equity **Benchmark:** Russell 2000 (GDR) **Currency:** USD **Returns as of:** Dec-31-2017 **Inception:** Mar-31-1990

Year	Gross Composite Return (%)	Net Composite Return (%)	Primary Benchmark Return (%)	3 Year Composite Risk (%)	3 Year Primary Benchmark Risk (%) ^{1,5}	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
2017	15.52	13.81	14.65	11.23	14.11	< 5	N/A	2,004,198,336.00	501,049,584.00	0.44	455,112,000,742.08
2016	20.28	18.50	21.31	12.77	15.99	< 5	N/A	1,796,659,005.00	449,164,751.25	0.59	302,127,480,638.57
2015	-0.90	-2.37	-4.41	11.74	14.16	< 5	N/A	1,564,162,347.00	391,040,586.75	0.53	293,397,986,258.49
2014	10.01	8.38	4.89	10.68	13.31	< 5	N/A	1,866,376,372.00	466,594,093.00	0.66	282,697,291,678.31
2013	35.99	33.98	38.82	14.46	16.68	< 5	N/A	1,609,957,248.00	536,652,416.00	0.63	255,707,099,715.41
2012	13.99	12.30	16.35	16.64	20.48	< 5	N/A	1,919,133,752.00	479,783,438.00	0.86	223,940,416,622.14
2011	-3.49	-4.91	-4.18	20.70	25.34	< 5	N/A	2,087,456,615.00	521,864,153.75	1.07	194,958,113,724.01
2010	21.91	20.11	26.85	23.82	28.08	< 5	N/A	2,838,355,205.00	709,588,801.25	1.40	202,946,283,267.48
2009	34.70	32.71	27.16	22.16	25.19	< 5	N/A	2,356,728,526.00	589,182,131.50	1.46	161,183,088,769.55
2008	-31.85	-32.86	-33.79	18.70	20.13	< 5	N/A	1,762,651,217.00	440,662,804.25	1.97	89,646,473,691.69
2007	12.38	10.72	-1.56	11.09	13.35	< 5	N/A	2,843,358,012.00	710,839,503.00	1.76	161,124,537,714.28
2006	22.99	21.17	18.36	11.18	13.95	< 5	N/A	2,702,709,429.00	675,677,357.25	7.61	35,533,229,886.00
2005	7.23	5.65	4.56	11.95	15.30	5(5)	0.28	2,279,234,585.00	454,646,917.00	7.81	29,123,758,149.00
2004	26.94	25.06	18.33	15.87	19.23	6(5)	0.93	2,220,795,376.20	370,132,562.70	7.97	27,861,264,909.00
2003	39.64	37.57	47.25	17.63	21.95	5(5)	0.90	1,435,551,514.58	287,110,302.92	5.28	27,165,162,499.00
2002	-18.62	-19.82	-20.48	19.44	24.71	6(5)	0.99	1,088,838,062.02	181,473,010.34	4.87	22,354,464,000.00

	Gross Composite Return (%)	Net Composite Return (%)	Primary Benchmark Return (%)	Composite Risk (%) ¹	Primary Benchmark Risk (%) ¹
As of Dec-2017					
Annualized 3 Year	11.25	9.61	9.96	11.23	14.11
Annualized 5 Year	15.55	13.84	14.12	11.22	13.91
Annualized 7 Year	12.40	10.73	11.62	12.72	15.31
Annualized 10 Year	9.75	8.13	8.71	16.75	19.90
Annualized S.I. ⁴	16.08	14.36	9.95	16.27	18.69

Past performance is not indicative of future results.

1. Annualized standard deviation of gross monthly returns for the composite and monthly returns for the benchmark. 2. Asset weighted standard deviation of annual gross returns of accounts that have been in the composite for the entire year. Part periods are not annualized. 3. Since Inception March 31, 1990. 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, from the start of 2011 Schroder Property Investment Management Multi Manager accounts are included in the Total Firm Assets. 5. Benchmark volatility not shown as the benchmark is cash which is not comparable to the composite.

N/A - Information is not statistically meaningful due to an insufficient number of portfolios for the entire year *Returns are for a part period year

Team highlights

- Team, led by Robert Kaynor, manages about \$1.9 billion in US Small Cap strategy and \$4.9 billion in US SMID Cap strategy
- Portfolio manager with over 25 years investment experience
- Dedicated team of 7 investment analysts with an average of 20 years investment experience

Risk disclosures

All investments 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. Investments in small and medium capitalization companies generally carry a greater risk than is customarily associated with larger capitalization companies, which may include, for example, less public information, more limited financial resources and product lines, greater volatility, higher risk of failure than larger companies and less liquidity.

About Schroders



\$ 536.7bn in assets across equities, fixed income, multi-asset, alternatives and real estate



An extensive global network of 5,000+ employees



Operating in 32 countries across Europe, the Americas, Asia, Middle East and Africa



Over 200 years' experience of investment markets

Source: Schroders, as of December 31, 2018. Firm assets include assets under management and administration.

To learn more about Schroders visit:
[schroders.com/us](https://www.schroders.com/us)

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