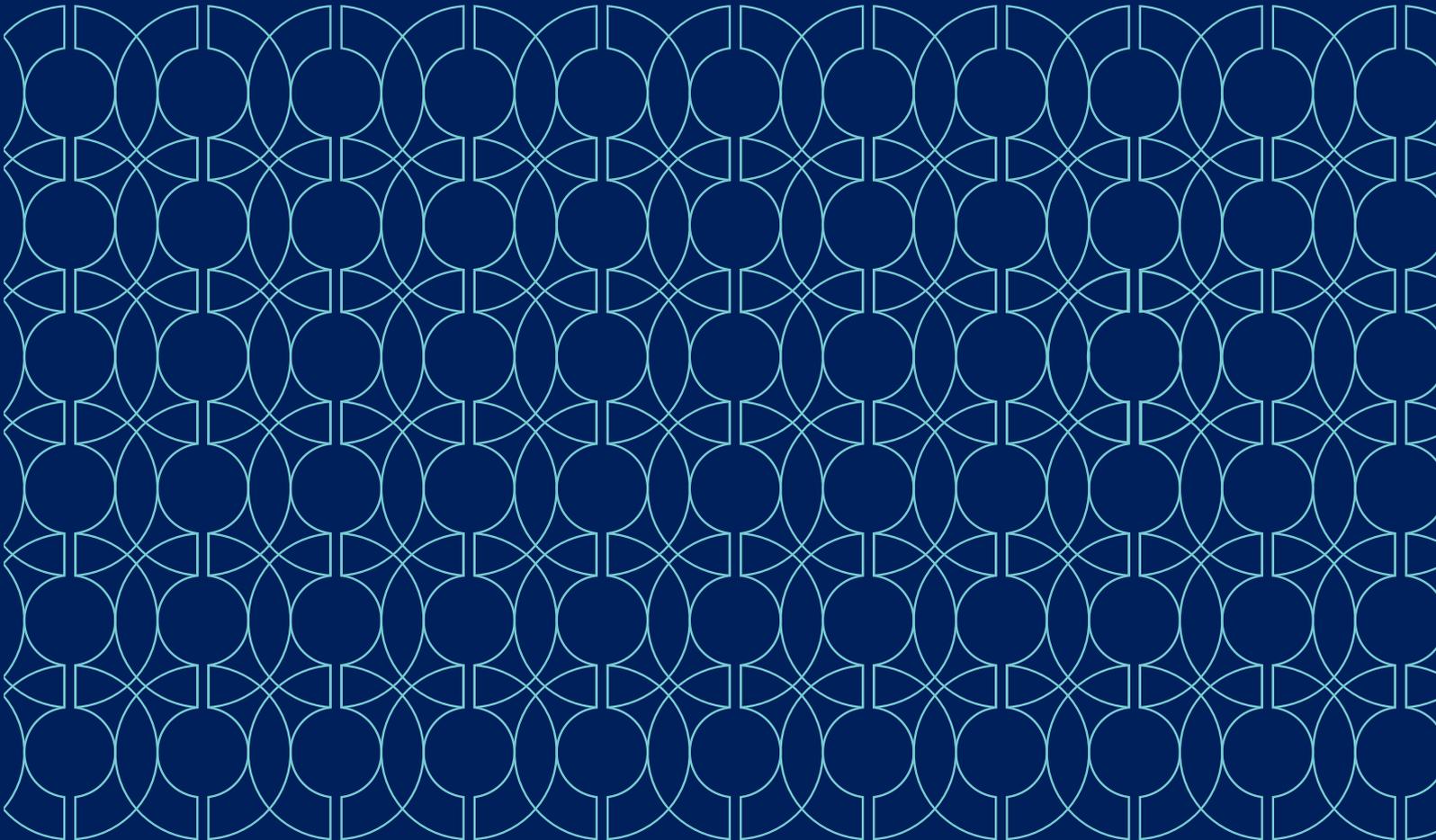


Schroders

Schroder Investment Fund Company
Annual Report and Accounts
31 December 2022



Contents

Company Information¹	3
Statement of the Authorised Corporate Director's Responsibilities	4
Report of the Depositary	5
Independent auditors' report to the Shareholders of Schroder Investment Fund Company	6
Statement of Cross Holdings¹	8
Accounting policies	9
Schroder UK Opportunities Fund	11
Schroder UK Dynamic Smaller Companies Fund	18
Schroder Sterling Corporate Bond Fund	36
Schroder European Recovery Fund	65
Schroder Sustainable UK Equity Fund	85
Schroder UK Alpha Income Fund	102
Schroder Strategic Credit Fund	120
Schroder European Sustainable Equity Fund	149
Schroder Global Recovery Fund	172
Schroder Multi-Asset Total Return Fund	190
Schroder India Equity Fund	211
Schroder Islamic Global Equity Fund	225
Schroder UK-Listed Equity Income Maximiser Fund	240
Schroder Global Energy Transition Fund	260
Schroder Global Sustainable Growth Fund	279
Remuneration	296
General Information¹	297

¹ Collectively these comprise the Authorised Corporate Director's report. The following sections also comprise the Authorised Corporate Director's report: review of investment activities, risk profile and portfolio statement. These are disclosed within the relevant section for each sub-fund.

Company Information

General information

Schroder Investment Fund Company (SIFCo or the Company) is an umbrella Company comprising fifteen sub funds which have their own investment objectives and policies. As at 31 December 2022 the Company had the following sub funds:

Schroder UK Opportunities Fund¹
Schroder UK Dynamic Smaller Companies Fund
Schroder Sterling Corporate Bond Fund
Schroder European Recovery Fund
Schroder Sustainable UK Equity Fund
Schroder UK Alpha Income Fund
Schroder Strategic Credit Fund
Schroder European Sustainable Equity Fund
Schroder Global Recovery Fund
Schroder Multi-Asset Total Return Fund
Schroder India Equity Fund
Schroder Islamic Global Equity Fund
Schroder UK-Listed Equity Income Maximiser Fund
Schroder Global Energy Transition Fund
Schroder Global Sustainable Growth Fund

1 Schroder UK Opportunities Fund merged into Schroder UK Alpha Plus Fund on 2 March 2022 and has commenced winding up.

Principal activities

The Company's principal activity is to carry on business as an Open Ended Investment Company. The Company is structured as an umbrella Company and different sub funds may be established by the Authorised Corporate Director from time to time with the agreement of the Depositary and approval from the Financial Conduct Authority.

The sub funds are operated separately and the assets of each sub fund are managed in accordance with the investment objective and policy applicable to that sub fund.

Liabilities of the Company

The sub funds are segregated portfolios of assets and, accordingly, the assets of each sub fund belong exclusively to that sub fund and shall not be used to discharge directly or indirectly the liabilities of, or claims against, any other person or body, including the Company, or any other sub fund, and shall not be available for any such purpose. Subject to the above, each sub fund will be charged with the liabilities, expenses, costs and charges attributable to that sub fund and within each sub fund charges will be allocated as far as possible according to the net asset value of that particular share class. Any assets, liabilities, expenses, costs or charges not attributable to a particular sub fund may be allocated by the Authorised Corporate Director in a manner which it believes is fair to the shareholders generally. This will normally be pro rata to the net asset value of the relevant sub funds.

Shareholders are not liable for the debts of the Company.

Shareholders are not liable to make any further payments to the Company after they have paid the purchase price of the share.

Significant events

On 2 March 2022, Schroder UK Opportunities Fund merged into Schroder UK Alpha Plus Fund. The last dealing of shares in Schroder UK Opportunities Fund was on 2 March 2022.

Subsequent events

Financial markets across the globe have experienced a higher degree of uncertainty, most recently with the financial issues within the banking sector. The developing situation continues to be monitored by the Authorised Corporate Director, in respect of any impacts on the sub-funds.

Statement of the Authorised Corporate Director's Responsibilities

The Financial Conduct Authority's Collective Investment Schemes sourcebook requires the Authorised Corporate Director to prepare accounts for each annual and half yearly accounting period, in accordance with United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the financial position of the Company and of its net revenue and the net capital losses on the property of the Company for the year. In preparing the accounts the Authorised Corporate Director is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association (now the Investment Association) in May 2014;
- follow generally accepted accounting principles and applicable accounting standards;
- prepare the accounts on the basis that the Company will continue in operation unless it is inappropriate to do so;
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements;
- make judgements and estimates that are prudent and reasonable.

The Authorised Corporate Director is responsible for the management of the Company in accordance with The Open Ended Investment Companies Regulations 2001 (SI 2001/1228) ('the OEIC Regulations'), the Company's Instrument of Incorporation, Prospectus and the Collective Investment Schemes sourcebook, and for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The Authorised Corporate Director's report and accounts for the year ended 31 December 2022 were signed on 26 April 2023 on behalf of the Authorised Corporate Director by:

S. Reedy
Directors

J. Rainbow

Report of the Depositary

Statement of the Depositary's responsibilities in respect of the Scheme and report of the Depositary to the shareholders of the Schroder Investment Fund Company ('the Company') for the year ended 31 December 2022.

The Depositary must ensure that the Company is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended, the Financial Services and Markets Act 2000, as amended, (together 'the regulations'), the Company's Instrument of Incorporation and Prospectus (together 'the Scheme documents') as detailed below.

The Depositary must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Company and its investors.

The Depositary is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Company in accordance with the regulations.

The Depositary must ensure that:

- the Company's cash flows are properly monitored and that cash of the Company is booked into the cash accounts in accordance with the regulations;
- the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with the regulations;
- the value of shares of the Company are calculated in accordance with the regulations;
- any consideration relating to transactions in the Company's assets is remitted to the Company within the usual time limits;
- the Company's income is applied in accordance with the regulations; and the instructions of the Authorised Corporate Director ("the ACD"), which is the UCITS Management Company, are carried out (unless they conflict with the regulations).

The Depositary also has a duty to take reasonable care to ensure that the Company is managed in accordance with the regulations and the Scheme documents of the Company in relation to the investment and borrowing powers applicable to the Company.

Having carried out such procedures as we consider necessary to discharge our responsibilities as Depositary of the Company, it is our opinion, based on the information available to us and the explanations provided, that in all material respects the Company, acting through the ACD:

(i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Company's shares and the application of the Company's income in accordance with the regulations and the Scheme documents of the Company; and

(ii) has observed the investment and borrowing powers and restrictions applicable to the Company.

J.P. Morgan Europe Limited

Depositary
Bournemouth
17 January 2023

Independent auditors' report to the Shareholders of Schroder Investment Fund Company

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Schroder Investment Fund Company (the "Company"):

- give a true and fair view of the financial position of each of the sub-funds as at 31 December 2022 and of the net revenue and the net capital gains/losses on the scheme property of each of the sub-funds for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Instrument of Incorporation.

Schroder Investment Fund Company is an Open Ended Investment Company ('OEIC') with fifteen sub-funds. The financial statements of the Company comprise the financial statements of each of the sub-funds. We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Balance Sheets as at 31 December 2022; the Statements of Total Return, and the Statements of Change in Net Assets Attributable to Shareholders; the Distribution Tables; the Accounting Policies; and the Notes to the Accounts.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter – financial statements of a sub-fund prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to the Basis of preparation section within the Accounting policies which describes the Authorised Corporate Director's reasons why the financial statements of the Schroder UK Opportunities Fund and Schroder Multi-Asset Total Return Fund (the "terminating sub-funds"), sub-funds of Schroder Investment Fund Company, have been prepared on a basis other than going concern. The financial statements of the remaining sub-funds of the Company (the "continuing sub-funds") have been prepared on a going concern basis.

Conclusions relating to going concern

In respect of the Company as a whole and the continuing sub-funds, based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's or the continuing sub-funds' ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

With the exception of the terminating sub-funds, in auditing the financial statements, we have concluded that the Authorised Corporate Director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's or its continuing sub-funds' ability to continue as a going concern.

Our responsibilities and the responsibilities of the Authorised Corporate Director with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Authorised Corporate Director is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

Authorised Corporate Director's Report

In our opinion, the information given in the Authorised Corporate Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Authorised Corporate Director for the financial statements

As explained more fully in the Statement of the Authorised Corporate Director's Responsibilities, the Authorised Corporate Director is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Authorised Corporate Director is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Independent auditors' report to the Shareholders of Schroder Investment Fund Company (continued)

In preparing the financial statements, the Authorised Corporate Director is responsible for assessing each of the sub-funds' ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Authorised Corporate Director either intends to wind up or terminate the Company or individual sub-funds, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company/industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of any sub-fund of the Company. Audit procedures performed included:

- Discussions with the Authorised Corporate Director, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Authorised Corporate Director's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook as required by paragraph 67(2) of the Open-Ended Investment Companies Regulations 2001 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records.

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Edinburgh

26 April 2023

Statement of Cross Holdings

As of 31 December 2022 there were no sub fund cross holdings within the Company.

Accounting policies

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014 and in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 (The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)).

The financial statements of all sub-funds, with the exception of Schroder UK Opportunities Fund and Schroder Multi-Asset Total Return Fund, have been prepared on a going concern basis. Schroder UK Opportunities Fund merged into Schroder UK Alpha Plus Fund on 2 March 2022 and has commenced winding up. Subsequent to the balance sheet date the Board of Directors took steps to review Schroder Multi-Asset Total Return Fund's operations and the future of the Fund is now under consideration. Accordingly, the going concern basis of preparation is no longer appropriate, and the financial statements of both Funds have been prepared on a basis other than going concern. In applying this basis of preparation, the assets and liabilities of the Funds continue to be stated at their fair values which materially equate to their residual values. Costs associated with the termination of the Funds will be borne by the Authorised Corporate Director with no provision being made in these financial statements for such costs. No adjustments were necessary in the financial statements to reduce assets to their realisable values or to provide for liabilities arising from the decision. The comparative financial statements of Schroder UK Opportunities Fund and Schroder Multi-Asset Total Return Fund continue to be prepared on a going concern basis.

Revenue

Dividends and real estate income distributions receivable from equity investments and distributions receivable from authorised unit trusts and other collective investment schemes are recognised net of attributable tax credits and are credited to revenue when they are first quoted ex-dividend.

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Company. Any enhancement above the cash dividend is treated as capital.

Interest receivable from bank balances, futures clearing houses and brokers is accounted for on an accruals basis.

Interest receivable from debt securities is accounted for on an effective yield basis.

The dividend equivalent values on contracts for difference received on long positions are recognised when the underlying securities are quoted ex-dividend. These are included in Revenue as Net revenue return from derivative contracts.

Option premium received by the Company is amortised to revenue over the period to maturity where the option is out of the money at the time the contract is written. Option premium is taken to capital for options that are in the money at the time of writing.

The rebates received from other investment managers are also receipted to the Company.

All rebates are treated as revenue or capital based on the underlying Fund's treatment.

Special dividends

Special dividends are treated as revenue or capital depending on the facts of each particular case.

Equalisation

Equalisation on distributions received by the Company is deducted from the cost of investments. As such the equalisation on distributions received by the Company does not form part of the Company's distribution.

Interest on debt securities bought or sold

Interest on debt securities bought or sold is excluded from the capital cost of securities, and is dealt with as part of the revenue of the Company.

Expenses

Expenses of the Company are charged against revenue except for costs associated with the purchase and sale of investments which are allocated to the capital of the Company. All expenses except for professional fee are accounted for on an accruals basis.

The costs of establishing and maintaining the hedging programme for the hedged share classes, the liabilities, expenses and charges directly attributable to a hedged share class will be allocated to the capital of that specific hedged share class.

For Schroder Sterling Corporate Bond Fund and Schroder Global Islamic Equity Fund, it has been agreed that certain expenses may be borne by the Authorised Corporate Director to ensure that the Ongoing charges figure for Q Income shares and Q2 Accumulation shares does not exceed 0.42% and 0.40% respectively.

Taxation

Schroder Sterling Corporate Bond Fund and Schroder Strategic Credit Fund satisfied the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19 throughout the year. All distributions made are therefore made as interest distribution.

Corporation tax on other sub funds is provided for on the revenue liable to corporation tax less deductible expenses. The tax effect of different items of revenue or expense is allocated between revenue and capital using the marginal basis.

Deferred taxation is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences regarded as permanent. Any liability to deferred taxation is provided for at the average rate of taxation expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Distributions

The revenue available for distribution is the total revenue earned by the Company, less deductible expenses and taxation charged to revenue.

For Accumulation shares this revenue is not distributed but automatically reinvested in the Fund and is reflected in the value of these shares.

The ordinary element of scrip dividends is treated as revenue and forms part of the distribution.

Recognised deferred tax assets are treated as revenue but do not form part of the distribution until they are utilised.

Accounting policies

(continued)

For the purpose of calculating the distribution, revenue on debt securities is calculated on a coupon basis where this exceeds the amount determined on an effective yield basis. As a consequence, the capital value of the Fund may be eroded. Schroder Sterling Corporate Bond Fund, Schroder Sustainable UK Equity Fund, Schroder UK Alpha Income Fund, Schroder UK-Listed Equity Income Maximiser Fund and Schroder Strategic Credit Fund allocate certain expenses to capital, thereby increasing the amount available for distribution.

Distributions which have remained unclaimed by shareholders for more than six years are credited to the capital property of the Company.

Dilution adjustment

In certain circumstances the Authorised Corporate Director may apply a dilution adjustment on subscriptions and redemptions of shares. If applied, the dilution adjustment is paid to the Company. See Prospectus for further details.

Valuation

With the exception of forward foreign currency contracts which have been valued at the Company valuation point (12:00) on the last working day of the accounting period, all other investments held by the Company have been valued at market value at 18:00 on the last working day of the accounting period. Market value is defined by the Statement of Recommended Practice as fair value which generally is the bid value of each security and the offer value for short positions. Non-exchange traded derivatives, including options, swaps and contracts for difference, are priced at fair value using valuation models and data sourced from market data providers and/or information provided by the relevant third party brokers.

Dual priced authorised unit trusts have been valued at cancellation price.

Single priced authorised unit trusts have been valued at the dealing price.

All investments are valued net of any accrued interest which is included in the balance sheet as a revenue related item.

Unquoted, illiquid and suspended investments are valued by the Investment Advisor at a best assessment of fair value.

Suspended securities which have previously been reported as having no value and expected to have no value in the future, are not included within the Portfolio Statement.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the exchange rate prevailing on the date of the transaction. Assets and liabilities valued in foreign currencies have been translated into sterling at the exchange rates prevailing at the balance sheet date.

Sterling hedged share classes

Hedged share classes allow the Authorised Corporate Director to use currency hedging transactions to seek to minimise the effect of exchange rate fluctuations between the base currency and the portfolio currencies of the Company. Currency hedging transactions include entering into over the counter currency forward contracts and foreign exchange agreements.

Where undertaken, the effect of hedging will be reflected in the net asset value and therefore, in the performance of the relevant hedged share class. Any benefits or losses of the hedging transactions will accrue to shareholders in that hedged share class only.

The Authorised Corporate Director will aim to hedge the capital currency exposure of the net asset value attributable to a hedged share class, however, the hedge may not always be at 100%. This is to avoid the transaction costs of making small and frequent adjusting transactions. The Authorised Corporate Director will review the relevant hedging positions daily and, if appropriate, adjust the hedge to reflect any change in currency exposure and the flow of shareholder issue and cancellation of shares.

Credit default swaps

The upfront fees received on a mark to market basis are split between capital and revenue as appropriate. For sell protections, periodic premiums are accounted for on an accruals basis and are included under Net revenue return from derivative contracts.

Total return swaps

Any revenue is calculated by reference to the quoted yield of the index upon which the total return swap is based compared to the Sterling Overnight Index Average Rate and may be revenue or an expense in relation to whether the Company held a net long or short position over the period. The revenue and expense position would be reversed if the Sterling Overnight Index Average Rate exceeds the quoted yield of the relevant index.

Schroder UK Opportunities Fund

Fund Information

Significant events

On 2 March 2022, Schroder UK Opportunities Fund was merged into Schroder UK Alpha Plus Fund. The last dealing of shares in Schroder UK Opportunities Fund was on 2 March 2022.

Review of Investment Activities

From 31 December 2021 to 2 March 2022, the price of Z Accumulation shares on a dealing price basis fell 9.28%. In the same period, the FTSE¹ All Share Index generated a negative total return of 1.35%².

Having ignored the hawkish shift in rhetoric from Western central banks at the end of 2021, during the opening months of 2022 markets then began to doubt whether inflation would prove as transitory as they had hoped. The concerns around inflation were compounded by Russia's invasion of Ukraine at the very end of the period under review. This drove a jump in real bond yields towards the period end which proved a challenge to equity valuations and equities sold off in tandem with bonds.

Publishing group Informa was our top contributor. Events activity was severely impacted by lockdown measures but bounced back during the period on re-opening hopes as Covid-19 restrictions were gradually lifted in many territories. Other positive contributors included Burberry Group, medical devices specialist Smith & Nephew and niche insurer Hiscox. Sentiment improved towards Hiscox amid signs that the pricing environment in European and US end markets is improving following a number of years of heavy industry claims relating to natural disasters and more recently Covid.

High quality stocks as a whole underperformed over the period amid the rotation into deep value areas of the market. This shift accounted for a number of our detractors. At the same time the shift negatively impacted performance as we did not own some very cheap but low quality areas of the market, including energy. Energy has also been a beneficiary of the post-Covid inflationary shock. We sold kitchen retailer/builders merchant Howden Joinery Group, distributor of plumbing and heating products Ferguson and life insurer Legal & General Group. We established a holding in media company Future.

The Fund was merged into the Schroder UK Alpha Plus Fund in March 2022.

Co-Fund Manager:
Bill Casey



Bill joined from Janus Henderson where he spent six years as an Equity portfolio manager and research analyst for both long only and long-short funds

Research responsibilities included coverage of European large and mid cap stocks. Bill was also the co-manager of the European Best Ideas Fund alongside John Bennett and laterally Nick Kissack

Previously an Equity Analyst at Bank of America Merrill Lynch and Bradshaw Asset Management

Investment career commenced in 2003

BSc Management (Finance) from Dublin Institute of Technology

CFA Charterholder

Co-Fund Manager:
Nick Kissack



Nick joined from Janus Henderson where he spent four years as an Equity portfolio manager and research analyst for both long only and long-short funds

Previously portfolio manager at the Universities Superannuation Scheme with responsibility for both research analysis and portfolio management for the pan European equities portfolio

Nick has worked as both a generalist (Clareville, Henderson) and a sector specialist (Consumer Staples & Discretionary at USS)

Investment career commenced in 2004 at Clareville Capital Partners as a portfolio manager for the long-short Pegasus Fund

Degree in Economics and Finance from the University of York
CFA Charterholder

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² Source: Refinitiv Eikon Datastream.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Statement of Total Return

For the year ended 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Income					
Net capital (losses)/gains	2		(7,933)		10,015
Revenue	3	281		2,723	
Expenses	4	(121)		(863)	
Net revenue before taxation		160		1,860	
Taxation	5	11		(18)	
Net revenue after taxation			171		1,842
Total return before distributions			(7,762)		11,857
Distributions	6		(171)		(1,842)
Change in net assets attributable to shareholders from investment activities			(7,933)		10,015

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	2022		2021	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		84,997		87,908
Amounts transferred to other funds		(74,968)		-
Amounts receivable on issue of shares	2		809	
Amounts payable on cancellation of shares		(2,236)	(15,197)	
		(2,234)		(14,388)
Change in net assets attributable to shareholders from investment activities		(7,933)		10,015
Retained distribution on Accumulation shares		138		1,462
Closing net assets attributable to shareholders		-		84,997

Balance Sheet

As at 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Assets					
Investments		-		84,953	
Current assets					
Debtors	7	-		100	
Cash and bank balances		-		319	
Total assets		-		85,372	
Liabilities					
Creditors					
Bank overdrafts		-		(69)	
Distributions payable		-		(152)	
Other creditors	8	-		(154)	
Total liabilities		-		(375)	
Net assets attributable to shareholders		-		84,997	

Notes to the Accounts

For the year ended 31 December 2022

1 Accounting policies

Basis of preparation

The applicable accounting policies adopted by Schroder UK Opportunities Fund are disclosed on pages 9 to 10.

2 Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	2022	2021
	£000's	£000's
Non-derivative securities	(7,933)	10,016
Transaction costs	-	(1)
Net capital (losses)/gains	(7,933)	10,015

3 Revenue

	2022	2021
	£000's	£000's
UK dividends	281	2,515
Overseas dividends	-	188
Real estate income distributions	-	20
Total revenue	281	2,723

4 Expenses

	2022	2021
	£000's	£000's
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director fee	-	121
Administration charge	-	21
Schroders Annual Charge ^{1,2}	121	719
	121	861
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	-	1
Other expenses:		
Audit fee ²	-	1
Total expenses	121	863

1 Fees such as the Authorised Corporate Director fee, Administration fee, Depositary fee and Audit fee were paid separately to 28 February 2021. From 1 March 2021 these fees were replaced with the Schroders Annual Charge.

2 Audit fees including VAT for the financial year ending 2022 were £9,647 (2021 - £9,647).

5 Taxation

Corporation tax has not been provided for as expenses payable by the Fund exceed the revenue liable to corporation tax.

(a) Analysis of the tax charge for the year

	2022	2021
	£000's	£000's
Overseas withholding tax	(11)	18
Total current tax (Note 5(b))	(11)	18

Notes to the Accounts

For the year ended 31 December 2022 (continued)

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for Open Ended Investment Companies of 20% (2021 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2022 £000's	2021 £000's
Net revenue before taxation	160	1,860
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	32	372
Effects of:		
Revenue not subject to corporation tax	(56)	(541)
Movement in excess management expenses	24	169
Overseas withholding tax	(11)	18
Current tax charge for the year (Note 5(a))	(11)	18

(c) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £14,601,016 (2021 – £14,576,802) in respect of unutilised management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year.

6 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2022 £000's	2021 £000's
Interim Dividend distribution	-	911
Final Dividend distribution	169	861
	169	1,772
Add: Revenue deducted on cancellation of shares	2	75
Deduct: Revenue received on issue of shares	-	(5)
Distributions	171	1,842

Details of the distributions per share are set out in the Distribution Table on page 17.

7 Debtors

	2022 £000's	2021 £000's
Sales awaiting settlement	-	1
Accrued revenue	-	88
Overseas withholding tax recoverable	-	11
Total debtors	-	100

8 Other creditors

	2022 £000's	2021 £000's
Amounts payable for cancellation of shares	-	90
Accrued expenses	-	64
Total other creditors	-	154

9 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2021 – Nil).

10 Related party transactions

The Authorised Corporate Director provides key management personnel services for the Fund and is therefore considered a related party.

Amounts paid during the year or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies paid through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Other creditors in the Notes to the Accounts.

11 Share classes

The Fund currently has no share class as the Fund closed on 2 March 2022.

12 Derivative and other financial instruments

As the Fund closed on 2 March 2022, there are no investments and no exposure to risks.

13 Direct transaction costs

In the case of shares, broker commissions and transfer taxes/stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	3,819	1	19	3,839	0.03	0.50
Sales						
Equities	5,942	(2)	-	5,940	(0.03)	-
Total cost of the Fund's average net asset value (%)		-	0.03			

2021	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Purchases ¹ :						
Equities	87,095	30	440	87,565	0.03	0.51
Corporate actions purchases:						
Equities	408	-	-	408	-	-
	87,503	30	440	87,973		
Sales						
Equities	100,714	(32)	-	100,682	(0.03)	-
Total cost of the Fund's average net asset value (%)		0.07	0.50			

1 Excluding corporate actions.

14 Shares in issue reconciliation

	Number of shares in issue 31.12.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 31.12.22
A Accumulation shares	3,177,710	382	(3,164,173)	(13,919)	-
C Accumulation shares	1,171,375	20	(1,171,395)	-	-
C Income shares	997,860	4	(997,864)	-	-
D Income shares	76,137	-	(76,137)	-	-
S Income shares	14,681,059	-	(14,681,059)	-	-
Z Accumulation shares	10,440,128	-	(10,451,627)	11,499	-
Z Income shares	896,392	86	(896,478)	-	-

Distribution Table

Final distribution for the period ended 2 March 2022

Group 1 Shares purchased prior to 1 January 2022

Group 2 Shares purchased on or after 1 January 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 28.4.22 per share
A Accumulation shares			
Group 1	0.4144p	-	0.4144p
Group 2	0.3949p	0.0195p	0.4144p
C Accumulation shares			
Group 1	1.0466p	-	1.0466p
Group 2	0.7980p	0.2486p	1.0466p
C Income shares			
Group 1	0.6497p	-	0.6497p
Group 2	0.3803p	0.2694p	0.6497p
D Income shares			
Group 1	0.1050p	-	0.1050p
Group 2	0.1050p	-	0.1050p
S Income shares			
Group 1	0.1199p	-	0.1199p
Group 2	0.1199p	-	0.1199p
Z Accumulation shares			
Group 1	1.1155p	-	1.1155p
Group 2	0.8524p	0.2631p	1.1155p
Z Income shares			
Group 1	0.8667p	-	0.8667p
Group 2	0.6325p	0.2342p	0.8667p

Equalisation

Equalisation applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Schroder UK Dynamic Smaller Companies Fund

Fund Information

Investment objective and policy

Schroder UK Dynamic Smaller Companies Fund (the 'Fund') aims to provide capital growth in excess of the FTSE Small Cap ex Investment Trust (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of small-sized UK companies.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of small-sized UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK and, at the time of purchase, are similar in size to those comprising the bottom 10% by market capitalisation of the UK equities market.

The Fund may also invest in companies headquartered or incorporated outside the UK which derive a significant proportion of their revenues or profits from the UK.

The small cap universe is an extensive, diverse and constantly changing area of the UK market. Smaller companies offer investors exposure to some niche growth areas that, often, cannot be accessed through large companies. They also tend to grow more rapidly than larger firms.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to Appendix III. Section 10: Derivatives and Forwards of the Prospectus).

Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the FTSE Small Cap ex Investment Trust (Gross Total Return) index, and compared against the Investment Association UK Smaller Companies sector average return. The Investment Adviser invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Adviser and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Review of Investment Activities

From 31 December 2021 to 30 December 2022, the price of Z Accumulation shares on a dealing price basis fell 22.96%. In the same period, the FTSE¹ Small Cap ex Investment Trust index generated a negative total return of 17.31%².

The resilience of the broader UK equity market in 2022 masked a sharp underperformance from the small and mid cap equities (smids). UK quoted smids are home to many fast-growing companies in new and emerging industries whose valuations have come under intense pressure due to rising interest rates, akin to what we saw happen with the US technology stocks in 2022.

Subsea rentals and services group Ashtead Technology Holdings was our top individual contributor on back of strong demand from the renewable energy generation sector. Internationally exposed direct marketing specialist 4imprint Group published strong results, driven by a post Covid recovery in its key North American market. An increase in US TV advertising spend has proven to be very effective, while the company also benefited from strength in the US dollar in 2022. Healthcare software business EMIS Group recommended a cash bid from US-based healthcare and insurance group. Detractors included engineering group Saisetia, not owning transport operator Go-Ahead Group, which UnitedHealth was subject to bid interest, and student accommodation developer Watkin Jones following a profit warning. We took advantage of share placing to establish a new position in corporate restructuring specialist FRP Advisory Group. We sold a legacy position in Lamprell as the energy services group grapples with the consequences of a failed transition to the renewables sector.

The degree of mis-pricing we're currently seeing is on a par with that following the Dotcom bubble bursting in 2000. That was another period when the valuations of all variety of companies, irrespective of quality, or balance sheet strength, were severely marked down. We remain focused on dynamic businesses creating solutions and products which are driving tomorrow's economy.

Fund Manager:
Iain Staples



Joined Schroders in 2012 from Altium, the UK mid-cap broker, where he led the UK Generalist equity research product

Previously worked on the sell-side for 14 years' having co-founded Clear Capital, the independent equity research house

Broking career commenced in 1999 at Hoare Govett in the technology team

Iain started his career at L.E.K. Consulting, the global management consulting firm, in 1995

MA in Mathematics, Cambridge University and MSc in Theoretical Physics, Manchester University

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² Source: Refinitiv Eikon Datastream.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Risk Profile

Risk and reward indicator



The risk category was calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Comparative Table

Financial year to 31 December	A Accumulation shares			C Accumulation shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	614.87	476.53	461.61	687.29	528.68	508.63
Return before operating charges*	(135.23)	147.98	21.62	(151.35)	164.51	24.44
Operating charges	(8.41)	(9.64)	(6.70)	(5.25)	(5.90)	(4.39)
Return after operating charges*	(143.64)	138.34	14.92	(156.60)	158.61	20.05
Distributions**	(1.22)	-	-	(5.63)	(2.92)	(0.21)
Retained distributions**	1.22	-	-	5.63	2.92	0.21
Closing net asset value	471.23	614.87	476.53	530.69	687.29	528.68
*after direct transaction costs of	(0.05)	(0.52)	(0.12)	(0.06)	(0.58)	(0.13)
Performance						
Return after charges (%)	(23.36)	29.03	3.23	(22.79)	30.00	3.94
Other information						
Closing net asset value (£000's)	57,360	83,078	63,573	1,921	3,599	2,892
Closing number of shares	12,172,497	13,511,540	13,340,840	362,061	523,704	547,079
Operating charges (%)	1.67	1.67	1.67	0.92	0.92	0.92
Direct transaction costs (%)	0.01	0.09	0.03	0.01	0.09	0.03
Prices						
Highest dealing price	627.60p	649.20p	485.04p	701.60p	723.90p	538.11p
Lowest dealing price	432.20p	483.90p	267.12p	486.00p	537.00p	294.65p

Comparative Table (continued)

Financial year to 31 December	C Income shares			S Accumulation shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	592.24	457.54	440.40	115.72	88.67	84.94
Return before operating charges*	(130.44)	142.32	21.20	(25.51)	27.63	4.13
Operating charges	(4.48)	(5.09)	(3.81)	(0.52)	(0.58)	(0.40)
Return after operating charges*	(134.92)	137.23	17.39	(26.03)	27.05	3.73
Distributions**	(4.84)	(2.53)	(0.25)	(1.31)	(0.90)	(0.38)
Retained distributions**	-	-	-	1.31	0.90	0.38
Closing net asset value	452.48	592.24	457.54	89.69	115.72	88.67
*after direct transaction costs of	(0.05)	(0.50)	(0.12)	(0.01)	(0.10)	(0.02)
Performance						
Return after charges (%)	(22.78)	29.99	3.95	(22.49)	30.51	4.39
Other information						
Closing net asset value (£000's)	1,212	1,890	2,119	3,260	4,858	4,203
Closing number of shares	267,754	319,134	463,175	3,634,450	4,198,080	4,740,339
Operating charges (%)	0.92	0.92	0.92	0.54	0.54	0.54
Direct transaction costs (%)	0.01	0.09	0.03	0.01	0.09	0.03
Prices						
Highest dealing price	604.60p	625.00p	465.96p	118.10p	121.70p	90.26p
Lowest dealing price	416.60p	464.70p	255.14p	82.06p	90.07p	49.27p

Comparative Table (continued)

Financial year to 31 December	S Income shares			Z Accumulation shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	103.98	80.31	77.28	735.02	565.39	543.60
Return before operating charges*	(22.91)	25.01	3.74	(161.91)	175.95	26.15
Operating charges	(0.46)	(0.53)	(0.37)	(5.56)	(6.32)	(4.36)
Return after operating charges*	(23.37)	24.48	3.37	(167.47)	169.63	21.79
Distributions**	(1.18)	(0.81)	(0.34)	(6.03)	(3.13)	(0.64)
Retained distributions**	-	-	-	6.03	3.13	0.64
Closing net asset value	79.43	103.98	80.31	567.55	735.02	565.39
*after direct transaction costs of	(0.01)	(0.09)	(0.02)	(0.06)	(0.62)	(0.14)
Performance						
Return after charges (%)	(22.48)	30.48	4.36	(22.78)	30.00	4.01
Other information						
Closing net asset value (£000's)	5,610	8,560	7,038	123,471	177,914	139,271
Closing number of shares	7,062,683	8,232,162	8,763,086	21,755,196	24,205,307	24,632,461
Operating charges (%)	0.54	0.54	0.54	0.92	0.92	0.92
Direct transaction costs (%)	0.01	0.09	0.03	0.01	0.09	0.03
Prices						
Highest dealing price	106.20p	109.80p	81.98p	750.40p	774.20p	575.48p
Lowest dealing price	73.21p	81.58p	44.83p	519.70p	574.30p	315.08p

Comparative Table (continued)

Financial year to 31 December	Z Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value			
Opening net asset value	677.37	523.29	503.66
Return before operating charges*	(149.19)	162.81	24.26
Operating charges	(5.12)	(5.84)	(4.03)
Return after operating charges*	(154.31)	156.97	20.23
Distributions**	(5.54)	(2.89)	(0.60)
Closing net asset value	517.52	677.37	523.29
*after direct transaction costs of	(0.06)	(0.57)	(0.13)
Performance			
Return after charges (%)	(22.78)	30.00	4.02
Other information			
Closing net asset value (£000's)	11,581	17,021	13,340
Closing number of shares	2,237,689	2,512,920	2,549,333
Operating charges (%)	0.92	0.92	0.92
Direct transaction costs (%)	0.01	0.09	0.03
Prices			
Highest dealing price	691.50p	714.80p	533.24p
Lowest dealing price	476.50p	531.50p	291.95p

** These figures have been rounded to 2 decimal places.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Statement

	Holding at 31.12.22	Market Value £000's	% of net assets		Holding at 31.12.22	Market Value £000's	% of net assets
Equities 98.14% (96.47%)				Equities 98.14% (96.47%)			
Basic Materials 2.85% (3.71%)				Basic Materials 2.85% (3.71%)			
Directa Plus*	973,534	935	0.46	Poolbeg Pharma	22,500,000	1,328	0.65
Treant	638,986	3,981	1.95	Sensyne Health*	2,306,172	0	0.00
Zotefoams	271,745	910	0.44	Spire Healthcare Group	2,058,047	4,692	2.30
		5,826	2.85	Verici Dx*	71,930	8	0.00
				8,982 4.39			
Consumer Discretionary 17.49% (22.10%)				Consumer Discretionary 17.49% (22.10%)			
4imprint Group	108,816	4,652	2.28	Industrials 38.75% (32.61%)			
Everyman Media Group*	3,461,050	2,769	1.35	Alpha Financial Markets Consulting*	1,745,842	8,293	4.06
Games Workshop Group	52,735	4,514	2.21	Boku*	2,737,717	3,751	1.83
Hollywood Bowl Group	2,031,578	5,059	2.48	Chemring Group	473,714	1,407	0.69
MusicMagpie*	1,023,834	225	0.11	DiscoverIE Group	383,468	2,799	1.37
Procook Group	1,832,563	504	0.25	Eneraqua Technologies*	729,023	2,260	1.11
Quiz*	1,774,198	248	0.12	Equals Group*	2,233,150	1,965	0.96
Reach	1,092,693	1,039	0.51	Eurocell	2,079,223	3,015	1.47
Saietta Group*	1,904,915	1,105	0.54	Fintel*	1,150,201	2,300	1.13
Sanderson Design Group*	3,542,625	4,003	1.96	FRP Advisory Group*	1,337,136	2,113	1.03
Team17 Group*	444,067	1,976	0.97	Johnson Service Group*	1,767,242	1,712	0.84
UP Global Sourcing Holdings	836,079	1,359	0.66	Keller Group	514,396	4,115	2.01
Warpaint London*	1,528,066	2,674	1.31	Luceco	936,634	919	0.45
Watkin Jones*	2,069,728	2,070	1.01	Midwich Group*	948,173	3,925	1.92
XLMedia*	5,751,095	920	0.45	Oxford Instruments	121,779	2,734	1.34
Young & Co.'s Brewery*	278,672	1,700	0.83	Renew Holdings*	920,758	6,740	3.30
Young & Co.'s Brewery A*	90,738	927	0.45	Restore*	616,961	2,005	0.98
		35,744	17.49	Ricardo	530,565	2,539	1.24
Consumer Staples 3.03% (2.36%)				RS Group	288,587	2,584	1.26
IG Design Group*	2,076,644	2,534	1.24	Solid State*	99,988	1,380	0.67
Nichols*	168,644	1,779	0.87	Spectra Systems*	1,354,874	2,236	1.09
Wynnstay Group*	318,666	1,880	0.92	Thruvision Group*	10,212,761	2,206	1.08
		6,193	3.03	VIDENDUM	367,057	3,942	1.93
Energy 2.47% (2.27%)				Vp	673,902	4,448	2.18
AFC Energy*	1,791,559	328	0.16	Wincanton	784,015	2,615	1.28
Ashtead Technology Holdings	1,357,856	4,210	2.06	Windward*	2,302,021	1,381	0.68
Tekmar Group*	4,666,451	513	0.25	Xaar	2,062,180	3,947	1.93
		5,051	2.47	XP Power	92,272	1,873	0.92
				79,204 38.75			
Financials 5.13% (4.48%)				Real Estate 2.27% (3.82%)			
CMC Markets	845,359	1,894	0.93	Harworth Group	2,157,460	2,201	1.08
Distribution Finance Capital Holdings*	4,047,474	1,295	0.63	Sirius Real Estate	3,285,186	2,431	1.19
Foresight Group Holdings	467,890	1,988	0.97			4,632	2.27
H&T Group*	57,755	277	0.14	Technology 18.91% (18.80%)			
LendInvest	1,212,029	970	0.48	ActiveOps	1,585,522	1,189	0.58
Mattioli Woods*	284,681	1,736	0.85	Big Technologies	1,086,498	2,879	1.41
Record	2,581,049	2,318	1.13	Blackbird*	18,158,382	2,542	1.24
		10,478	5.13	CML Microsystems*	591,364	2,838	1.39
Health Care 4.39% (4.20%)				Essensys Group*	2,136,677	1,026	0.50
EKF Diagnostics Holdings*	3,596,514	1,726	0.84	Gooch & Housego*	440,657	2,371	1.16
Medica Group	889,919	1,228	0.60	Kin & Carta	1,652,692	3,537	1.73
				NCC Group	2,465,538	4,926	2.41
				Quartix Technologies*	575,587	1,612	0.79
				Quixant*	3,534,150	5,655	2.77
				Shearwater Group*	250,000	242	0.12
				Tracsis*	363,393	3,489	1.71
				TT Electronics	1,476,728	2,566	1.25

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets
Zoo Digital Group*	2,167,425	3,793	1.85
		38,665	18.91
Telecommunications 2.85% (2.12%)			
Gamma Communications#	185,645	2,009	0.98

	Holding at 31.12.22	Market Value £000's	% of net assets
Spirent Communications	1,470,611	3,823	1.87
		5,832	2.85
Equities total		200,607	98.14
Portfolio of investments		200,607	98.14
Net other assets		3,808	1.86
Net assets attributable to shareholders		204,415	100.00

The comparative percentage figures in brackets are as at 31 December 2021.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

Security traded on another regulated market.

^ Unlisted, suspended or delisted security.

Statement of Total Return

For the year ended 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Income					
Net capital (losses)/gains	2		(69,740)		67,500
Revenue	3	4,501		3,911	
Expenses	4	(2,591)		(3,125)	
Net revenue before taxation		1,910		786	
Taxation	5	(36)		(28)	
Net revenue after taxation			1,874		758
Total return before distributions			(67,866)		68,258
Distributions	6		(1,875)		(987)
Change in net assets attributable to shareholders from investment activities			(69,741)		67,271

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	2022		2021	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		296,920		232,436
Amounts receivable on issue of shares	9,500		29,032	
Amounts payable on cancellation of shares	(33,892)		(32,646)	
		(24,392)		(3,614)
Dilution adjustment		39		-
Change in net assets attributable to shareholders from investment activities		(69,741)		67,271
Retained distribution on Accumulation shares		1,589		827
Closing net assets attributable to shareholders		204,415		296,920

Balance Sheet

As at 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Assets					
Investments		200,607		286,434	
Current assets					
Debtors	8	275		1,419	
Cash and bank balances		3,915		9,519	
Total assets		204,797		297,372	
Liabilities					
Creditors					
Distributions payable		(112)		(68)	
Other creditors	9	(270)		(384)	
Total liabilities		(382)		(452)	
Net assets attributable to shareholders		204,415		296,920	

Notes to the Accounts

For the year ended 31 December 2022

1 Accounting policies

Basis of preparation

The applicable accounting policies adopted by Schroder UK Dynamic Smaller Companies Fund are disclosed on pages 9 to 10.

2 Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	2022	2021
	£000's	£000's
Non-derivative securities	(69,740)	67,500
Net capital (losses)/gains	(69,740)	67,500

3 Revenue

	2022	2021
	£000's	£000's
UK dividends	3,985	3,535
Overseas dividends	418	237
Real estate income distributions	62	139
Bank interest	36	-
Total revenue	4,501	3,911

4 Expenses

	2022	2021
	£000's	£000's
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director fee	-	364
Administration charge	-	58
Schroders Annual Charge ^{1,2}	2,591	2,698
	2,591	3,120
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	-	4
Other expenses:		
Audit fee ²	-	1
Total expenses	2,591	3,125

1 Fees such as the Authorised Corporate Director fee, Administration fee, Depositary fee and Audit fee were paid separately to 28 February 2021. From 1 March 2021 these fees were replaced with the Schroders Annual Charge.

2 Audit fees including VAT for the financial year ending 2022 were £9,647 (2021 - £9,647).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

5 Taxation

Corporation tax has not been provided for as expenses payable by the Fund exceed the revenue liable to corporation tax.

(a) Analysis of the tax charge for the year

	2022	2021
	£000's	£000's
Overseas withholding tax	36	28
Total current tax (Note 5(b))	36	28

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for Open Ended Investment Companies of 20% (2021 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2022	2021
	£000's	£000's
Net revenue before taxation	1,910	786
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	382	157
Effects of:		
Revenue not subject to corporation tax	(880)	(754)
Movement in excess management expenses	498	597
Overseas withholding tax	36	28
Current tax charge for the year (Note 5(a))	36	28

(c) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £12,113,444 (2021 – £11,614,983) in respect of unutilised management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year.

6 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2022	2021
	£000's	£000's
Interim Dividend distribution	901	553
Final Dividend distribution	919	424
	1,820	977
Add: Revenue deducted on cancellation of shares	60	27
Deduct: Revenue received on issue of shares	(5)	(17)
Distributions	1,875	987
Net revenue after taxation	1,874	758
Deficit taken to capital	-	228
Equalisation on conversions	1	1
Distributions	1,875	987

Details of the distributions per share are set out in the Distribution Tables on pages 34 to 35.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

7 Fair value hierarchy

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Basis of valuation	2022		2021	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	200,607	-	286,434	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	200,607	-	286,434	-

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Authorised Corporate Director has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Authorised Corporate Director of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Authorised Corporate Director with particular attention paid to the carrying value of the investments.

8 Debtors

	2022 £000's	2021 £000's
Amounts receivable for issue of shares	33	1,171
Sales awaiting settlement	-	18
Accrued revenue	242	222
Overseas withholding tax recoverable	-	8
Total debtors	275	1,419

9 Other creditors

	2022 £000's	2021 £000's
Amounts payable for cancellation of shares	80	108
Accrued expenses	190	276
Total other creditors	270	384

10 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2021 – Nil).

11 Related party transactions

The Authorised Corporate Director provides key management personnel services for the Fund and is therefore considered a related party.

Amounts paid during the year or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies paid through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 4.94% (2021 – 5.63%).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

12 Share classes

At the reporting date the Fund had seven share classes. The costs and expenses due to the Manager are referred to as the Schroders Annual Charge. Details of the charges applied to each share class can be found in the prospectus.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on pages 21 to 24.

The distributions per share class are given in the Distribution Tables on pages 34 to 35.

All classes have the same rights on winding up.

13 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity and interest rate risks. The Authorised Corporate Director's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £20,060,700 (2021 - £28,643,400).

Foreign currency risk

Revenue received in other currencies is translated to sterling on or near the date of receipt. The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

At the year end date, the majority of the Fund's financial assets and liabilities were denominated in sterling. As a result, the Fund has no material exposure to currency movements.

Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the Collective Investment Schemes sourcebook.

Interest rate risk

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

Interest receivable on bank deposits positions will be affected by fluctuations in interest rates.

At the year end date 1.92% (2021 - 3.21%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average Rate.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Global risk exposure

Commitment approach

When using derivatives, the Authorised Corporate Director uses a risk management process that enables it to monitor the risk of a Fund's derivative positions. The global risk exposure of a Fund is calculated daily either by means of the commitment approach or the Value-at-Risk (VaR) approach.

Under the commitment approach, the global risk exposure is defined as the underlying market value of derivatives, after netting and hedging as permitted by the regulation, not exceeding the Net Asset Value of a Fund. This is typically used on Funds where derivative usage is low or Funds which limit their derivatives commitment to 100% or less of their Net Asset Value.

The global risk exposure of the Fund is calculated using the commitment approach. During the year ended 31 December 2022 the global risk exposure of the Fund did not exceed 100% of its Net Asset Value. The lowest, highest, average and actual level of leverage for the Fund as at the balance sheet date was as follows:

Leverage

2022				2021			
Lowest	Highest	Average	Leverage 31 December	Lowest	Highest	Average	Leverage 31 December
0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%

Notes to the Accounts

For the year ended 31 December 2022 (continued)

14 Direct transaction costs

In the case of shares, broker commissions and transfer taxes/stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	18,906	7	13	18,926	0.04	0.07
Sales						
Equities	35,025	(13)	-	35,012	(0.04)	-
Total cost of the Fund's average net asset value (%)		0.01	-			

2021	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Purchases ¹ :						
Equities	94,669	28	179	94,876	0.03	0.19
Corporate actions purchases:						
Equities	35	-	-	35	-	-
	94,704	28	179	94,911		
Sales						
Equities	100,889	(40)	-	100,849	(0.04)	-
Total cost of the Fund's average net asset value (%)		0.02	0.07			

1 Excluding corporate actions.

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 2.48% (2021 - 2.65%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

15 Shares in issue reconciliation

	Number of shares in issue 31.12.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 31.12.22
A Accumulation shares	13,511,540	153,113	(1,365,540)	(126,616)	12,172,497
C Accumulation shares	523,704	6,006	(155,289)	(12,360)	362,061
C Income shares	319,134	26	(37,007)	(14,399)	267,754
S Accumulation shares	4,198,080	1,745	(700,837)	135,462	3,634,450
S Income shares	8,232,162	213	(1,182,372)	12,680	7,062,683
Z Accumulation shares	24,205,307	1,221,396	(3,762,472)	90,965	21,755,196
Z Income shares	2,512,920	69,170	(360,153)	15,752	2,237,689

Notes to the Accounts

For the year ended 31 December 2022 (continued)

16 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 December 2022, the price of each share class has changed as follows:

	Dealing price 21.4.23	Dealing price 30.12.22	% change
A Accumulation shares	452.00p	476.60p	(5.16)
C Accumulation shares	510.20p	536.80p	(4.96)
C Income shares	435.10p	460.20p	(5.45)
S Accumulation shares	86.33p	90.72p	(4.84)
S Income shares	76.46p	80.93p	(5.52)
Z Accumulation shares	545.70p	574.00p	(4.93)
Z Income shares	497.60p	526.30p	(5.45)

Distribution Tables

Interim distribution for the six months ended 30 June 2022

Group 1 Shares purchased prior to 1 January 2022

Group 2 Shares purchased on or after 1 January 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.8.22 per share	Distribution paid 31.8.21 per share
A Accumulation shares				
Group 1	0.4107p	-	0.4107p	-
Group 2	0.4094p	0.0013p	0.4107p	-
C Accumulation shares				
Group 1	2.7318p	-	2.7318p	1.6441p
Group 2	2.2904p	0.4414p	2.7318p	1.6441p
C Income shares				
Group 1	2.3582p	-	2.3582p	1.4258p
Group 2	1.9049p	0.4533p	2.3582p	1.4258p
S Accumulation shares				
Group 1	0.6530p	-	0.6530p	0.4651p
Group 2	0.6530p	-	0.6530p	0.4651p
S Income shares				
Group 1	0.5868p	-	0.5868p	0.4212p
Group 2	0.5868p	-	0.5868p	0.4212p
Z Accumulation shares				
Group 1	2.9330p	-	2.9330p	1.7569p
Group 2	2.7186p	0.2144p	2.9330p	1.7569p
Z Income shares				
Group 1	2.6991p	-	2.6991p	1.6268p
Group 2	2.3002p	0.3989p	2.6991p	1.6268p

Final distribution for the six months ended 31 December 2022

Group 1 Shares purchased prior to 1 July 2022

Group 2 Shares purchased on or after 1 July 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
A Accumulation shares				
Group 1	0.8109p	-	0.8109p	-
Group 2	0.3413p	0.4696p	0.8109p	-
C Accumulation shares				
Group 1	2.8988p	-	2.8988p	1.2784p
Group 2	1.3840p	1.5148p	2.8988p	1.2784p
C Income shares				
Group 1	2.4851p	-	2.4851p	1.1028p
Group 2	0.5352p	1.9499p	2.4851p	1.1028p
S Accumulation shares				
Group 1	0.6594p	-	0.6594p	0.4358p
Group 2	0.0802p	0.5792p	0.6594p	0.4358p

Distribution Tables

(continued)

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
S Income shares				
Group 1	0.5883p	-	0.5883p	0.3931p
Group 2	0.0727p	0.5156p	0.5883p	0.3931p
Z Accumulation shares				
Group 1	3.1000p	-	3.1000p	1.3681p
Group 2	1.2667p	1.8333p	3.1000p	1.3681p
Z Income shares				
Group 1	2.8424p	-	2.8424p	1.2629p
Group 2	0.9608p	1.8816p	2.8424p	1.2629p

Equalisation

Equalisation applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Schroder Sterling Corporate Bond Fund

Fund Information

Investment objective and policy

Schroder Sterling Corporate Bond Fund (the 'Fund') aims to provide income and capital growth in excess of the Bank of America Merrill Lynch Sterling Corporate & Collateralised (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in fixed and floating rate securities issued by UK companies and companies worldwide.

The Fund is actively managed and invests at least 80% of its assets in fixed and floating rate securities denominated in sterling (or in other currencies and hedged back into sterling) and issued by UK companies and companies worldwide.

The Fund may also invest in fixed and floating rate securities issued by governments, government agencies, and supra-nationals.

The Fund may invest up to 20% of its assets in below investment grade securities (as measured by Standard & Poor's or any other equivalent credit rating agencies) or in unrated securities.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to Appendix III. Section 10: Derivatives and Forwards of the Prospectus). The Fund may use leverage and take short positions.

Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the Bank of America Merrill Lynch Sterling Corporate & Collateralised (Gross Total Return) index, and compared against the Investment Association Sterling Corporate Bond sector average return. The Investment Adviser invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Adviser and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Review of Investment Activities

From 31 December 2021 to 30 December 2022, the price of Z Accumulation shares on a dealing price basis fell 20.86%. In the same period, the Bank of America Merrill Lynch Sterling Corporate & Collateralised Index generated a negative total return of 19.52%¹.

The portfolio generated negative returns in 2022 and underperformed the reference index. Despite positive relative performance in the second half of the year, it was not enough to offset the returns from H1. The underperformance was primarily driven by our exposure to European real estate, which struggled in 2022 amid inflationary pressures and the rising rate environment. Single names such as CPI Property Group, Globalworth Real Estate Investments and Adler Group were notable detractors. Our allocations to European senior financial services and banks also performed poorly over the year, with this being one of our larger overweights in our portfolio. Although active returns were better in the second half of the year, this was not enough to offset the negative performance from H1, where spread widening affected credit markets indiscriminately. Our positive returns primarily came through sectors in which we were underweight, such as utilities and services. Security selection in sectors such as senior banking and energy were also positive for active returns, namely Barclays and Enel Finance International, where the latter announced a move towards a creditor-friendly strategic direction in November, including debt reduction and the streamlining of operations.

Our largest additions over the year were to banking and financial services, where we were particularly active in the second half of the year given the availability of issues at attractive valuations. We have a positive outlook in these sectors as they are beneficiaries of a higher rate environment. The portfolio's largest sector exposure remains to be real estate. Despite negative performance in 2022, we believe that at current valuation levels there are certain issuers that have a strong recovery potential. Elsewhere, we added to services, leisure and subordinated insurance whilst decreasing our exposure to telecoms, retail and energy.

Co-Fund Manager:
Julien Houdain



Julien Houdain joined Schroders in 2019 and holds the role of Head of Credit, Europe and is responsible for managing a range of credit strategies

Julien joined from Legal & General Investment Management where he held the role of Head of Global Bond Strategies
PhD, Ecole Normale Supérieure, France, Applied Mathematics
Master of Research, University of Paris XII, France, Applied Mathematics

University Paris XII, Graduate in Econometrics

Co-Fund Manager:
Daniel Pearson



Daniel Pearson joined Schroders in 2013 following the acquisition of Cazenove Capital

He focused on Investment grade and High Yield Auto, Business services and Property sectors. Prior to this he worked as a high yield credit analyst

He previously worked at 3i Group plc where he initially worked as a portfolio manager in restructuring/SME team before moving to the European buyout team and focused on all aspects of new investments – origination, appraisal, structuring and debt arrangement. From 1990 to 2002 he worked at Hambros plc

BSc in Business Administration from Bath University and an ACCA qualification

¹ Source: Refinitiv Eikon Datastream.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Risk Profile

Risk and reward indicator



The risk category was calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Comparative Table

Financial year to 31 December	A Accumulation shares			A Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	95.80	94.34	83.07	69.85	71.36	65.32
Return before operating charges*	(19.49)	2.51	12.23	(14.09)	1.88	9.37
Operating charges	(0.93)	(1.05)	(0.96)	(0.67)	(0.78)	(0.74)
Return after operating charges*	(20.42)	1.46	11.27	(14.76)	1.10	8.63
Distributions**	(4.33)	(3.49)	(3.34)	(3.10)	(2.61)	(2.59)
Retained distributions**	4.33	3.49	3.34	-	-	-
Closing net asset value	75.38	95.80	94.34	51.99	69.85	71.36
*after direct transaction costs of	-	-	-	-	-	-
Performance						
Return after charges (%)	(21.32)	1.55	13.57	(21.13)	1.54	13.21
Other information						
Closing net asset value (£000's)	33,011	50,864	41,647	9,651	15,867	15,950
Closing number of shares	43,794,150	53,096,276	44,145,978	18,562,732	22,716,811	22,351,478
Operating charges (%)	1.12	1.12	1.11	1.12	1.12	1.11
Prices						
Highest dealing price	95.85p	97.96p	94.94p	69.89p	72.78p	72.52p
Lowest dealing price	68.77p	93.14p	72.90p	48.11p	69.58p	57.33p

Comparative Table (continued)

Financial year to 31 December	C Accumulation shares			C Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	186.08	182.34	159.86	70.18	71.34	65.02
Return before operating charges*	(37.94)	4.85	23.60	(14.18)	1.88	9.35
Operating charges	(0.99)	(1.11)	(1.12)	(0.37)	(0.43)	(0.45)
Return after operating charges*	(38.93)	3.74	22.48	(14.55)	1.45	8.90
Distributions**	(8.43)	(6.77)	(6.44)	(3.12)	(2.61)	(2.58)
Retained distributions**	8.43	6.77	6.44	-	-	-
Closing net asset value	147.15	186.08	182.34	52.51	70.18	71.34
*after direct transaction costs of	-	-	-	-	-	-
Performance						
Return after charges (%)	(20.92)	2.05	14.06	(20.73)	2.03	13.69
Other information						
Closing net asset value (£000's)	6,781	8,317	7,793	6,154	9,097	9,268
Closing number of shares	4,608,465	4,469,706	4,273,604	11,720,213	12,961,847	12,990,904
Operating charges (%)	0.62	0.62	0.61	0.62	0.62	0.61
Prices						
Highest dealing price	186.20p	189.90p	183.49p	70.23p	72.98p	72.50p
Lowest dealing price	134.10p	180.20p	140.37p	48.53p	69.83p	57.10p

Comparative Table (continued)

Financial year to 31 December	Q Accumulation shares ¹			Q Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	59.74	58.32	50.00	54.45	55.25	50.22
Return before operating charges*	(12.19)	1.58	8.44	(11.01)	1.46	7.25
Operating charges	(0.18)	(0.16)	(0.12)	(0.20)	(0.23)	(0.22)
Return after operating charges*	(12.37)	1.42	8.32	(11.21)	1.23	7.03
Distributions**	(2.71)	(2.15)	(1.33)	(2.42)	(2.03)	(2.00)
Retained distributions**	2.71	2.15	1.33	-	-	-
Closing net asset value	47.37	59.74	58.32	40.82	54.45	55.25
*after direct transaction costs of	-	-	-	-	-	-
Performance						
Return after charges (%)	(20.71)	2.43	16.64	(20.59)	2.23	14.00
Other information						
Closing net asset value (£000's)	1	1	1	13,145	50,409	83,588
Closing number of shares	2,000	2,000	2,000	32,205,503	92,575,861	151,285,931
Operating charges (%)	0.42	0.42	0.42	0.42	0.42	0.42
Prices						
Highest dealing price	59.78p	60.84p	58.69p	54.49p	56.58p	56.15p
Lowest dealing price	43.15p	57.67p	50.00p	37.71p	54.16p	44.15p

Comparative Table (continued)

Financial year to 31 December	S Accumulation shares			S Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	200.15	195.77	171.18	62.89	63.82	58.01
Return before operating charges*	(40.82)	5.21	25.33	(12.72)	1.68	8.37
Operating charges	(0.75)	(0.83)	(0.74)	(0.23)	(0.27)	(0.25)
Return after operating charges*	(41.57)	4.38	24.59	(12.95)	1.41	8.12
Distributions**	(9.07)	(7.28)	(6.91)	(2.80)	(2.34)	(2.31)
Retained distributions**	9.07	7.28	6.91	-	-	-
Closing net asset value	158.58	200.15	195.77	47.14	62.89	63.82
*after direct transaction costs of	-	-	-	-	-	-
Performance						
Return after charges (%)	(20.77)	2.24	14.36	(20.59)	2.21	14.00
Other information						
Closing net asset value (£000's)	2,337	5,119	12,308	158,865	243,186	347,018
Closing number of shares	1,473,781	2,557,610	6,286,709	336,998,133	386,668,488	543,775,896
Operating charges (%)	0.42	0.42	0.41	0.42	0.42	0.41
Prices						
Highest dealing price	200.30p	204.10p	197.01p	62.94p	65.35p	64.85p
Lowest dealing price	144.50p	193.60p	150.46p	43.55p	62.55p	50.99p

Comparative Table (continued)

Financial year to 31 December	Z Accumulation shares			Z Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	198.58	194.59	170.49	137.19	139.45	127.02
Return before operating charges*	(40.48)	5.18	25.19	(27.73)	3.69	18.27
Operating charges	(1.06)	(1.19)	(1.09)	(0.73)	(0.84)	(0.80)
Return after operating charges*	(41.54)	3.99	24.10	(28.46)	2.85	17.47
Distributions**	(8.99)	(7.23)	(6.87)	(6.10)	(5.11)	(5.04)
Retained distributions**	8.99	7.23	6.87	-	-	-
Closing net asset value	157.04	198.58	194.59	102.63	137.19	139.45
*after direct transaction costs of	-	-	-	-	-	-
Performance						
Return after charges (%)	(20.92)	2.05	14.14	(20.74)	2.04	13.75
Other information						
Closing net asset value (£000's)	408,775	722,968	413,639	103,703	209,484	307,529
Closing number of shares	260,303,590	364,064,679	212,571,869	101,044,280	152,700,850	220,524,772
Operating charges (%)	0.62	0.62	0.61	0.62	0.62	0.61
Prices						
Highest dealing price	198.70p	202.70p	195.82p	137.30p	142.70p	141.71p
Lowest dealing price	143.10p	192.30p	149.78p	94.86p	136.50p	111.59p

** These figures have been rounded to 2 decimal places.

1 Q Accumulation shares launched on 18 May 2020.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Statement

	Holding at 31.12.22	Market Value £000's	% of net assets
Corporate Bonds 88.47% (83.12%)			
Austria 1.02% (0.68%)			
UNIQA Insurance Group FRN 3.25% 09/10/2035	9,300,000	7,597	1.02
		7,597	1.02
Belgium 0.76% (0.00%)			
Argenta Spaarbank FRN 5.375% 29/11/2027	2,300,000	2,032	0.27
KBC Group FRN 5.5% 20/09/2028	3,700,000	3,634	0.49
		5,666	0.76
Bermuda 0.83% (0.95%)			
Lancashire Holdings FRN 5.625% 18/09/2041	3,391,000	2,203	0.30
Hiscox FRN 6.125% 24/11/2045	4,187,000	3,973	0.53
		6,176	0.83
Brazil 0.26% (0.15%)			
Prumo Participacoes e Investimentos 7.5% 31/12/2031	2,472,975	1,941	0.26
		1,941	0.26
Cayman Islands 0.73% (0.49%)			
Global Aircraft Leasing 6.5% 15/09/2024	7,677,441	5,425	0.73
		5,425	0.73
Czech Republic 0.38% (0.41%)			
Raiffeisenbank FRN 1% 09/06/2028	4,100,000	2,794	0.38
		2,794	0.38
Finland 0.28% (0.17%)			
PHM Group Holding 4.75% 18/06/2026	2,667,000	2,053	0.28
		2,053	0.28
France 4.92% (4.10%)			
La Financiere Atalian 4% 15/05/2024	680,000	511	0.07
La Financiere Atalian 6.625% 15/05/2025	1,343,000	894	0.12
Emeria 3.375% 31/03/2028	1,250,000	922	0.12
Holding d'Infrastructures des Metiers de l'Environnement 0.625% 16/09/2028	3,187,000	2,208	0.30
In'li 1.125% 02/07/2029	10,200,000	7,227	0.97
BPCE FRN 2.5% 30/11/2032	4,000,000	3,217	0.43
Bouygues 5.375% 30/06/2042	3,800,000	3,438	0.46
La Mondiale FRN 4.8% 18/01/2048	12,741,000	9,193	1.24

	Holding at 31.12.22	Market Value £000's	% of net assets
Electricite de France 6% 23/01/2114	5,900,000	5,459	0.74
Electricite de France FRN 6% Perpetual	100,000	89	0.01
Korian FRN 4.125% Perpetual	4,500,000	3,392	0.46
		36,550	4.92
Germany 3.63% (2.43%)			
Nidda Healthcare Holding 7.5% 21/08/2026	1,000,000	844	0.12
WEPA Hygiene- produkte 2.875% 15/12/2027	5,773,000	4,158	0.56
Cheplapharm Arzneimittel 5.5% 15/01/2028	2,449,000	1,696	0.23
Deutsche Bank FRN 1.875% 23/02/2028	2,500,000	1,939	0.26
Fraport AG Frankfurt Airport Services Worldwide 1.875% 31/03/2028	11,895,000	9,054	1.22
Gruenenthal 4.125% 15/05/2028	4,318,000	3,438	0.46
Deutsche Bank FRN 1.875% 22/12/2028	3,100,000	2,463	0.33
Deutsche Bank FRN 4.625% Perpetual	5,000,000	3,366	0.45
		26,958	3.63
Guernsey 2.11% (1.90%)			
Globalworth Real Estate Investments REIT 3% 29/03/2025	9,661,000	7,487	1.01
Sirius Real Estate 1.125% 22/06/2026	3,700,000	2,552	0.34
Globalworth Real Estate Investments REIT 2.95% 29/07/2026	8,064,000	5,635	0.76
		15,674	2.11
Hungary 0.70% (0.22%)			
MVM Energetika 0.875% 18/11/2027	8,321,000	5,199	0.70
		5,199	0.70
Ireland 0.52% (0.41%)			
AIB Group FRN 5.75% 16/02/2029	2,987,000	2,714	0.37
Bank of Ireland Group FRN 7.594% 06/12/2032	900,000	892	0.12
Roadster Finance 2.375% 08/12/2032	365,000	242	0.03
		3,848	0.52
Israel 0.26% (0.26%)			
Energean Israel Finance 5.875% 30/03/2031	2,640,000	1,912	0.26
		1,912	0.26

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets		Holding at 31.12.22	Market Value £000's	% of net assets
Italy 1.72% (0.99%)							
EVOCA FRN 5.891% 01/11/2026	397,000	296	0.04	Albion Financing 1 5.25% 15/10/2026	3,167,000	2,442	0.33
Marcolin 6.125% 15/11/2026	4,450,000	3,395	0.46	ADLER Group 2.25% 27/04/2027	1,800,000	551	0.07
Intesa Sanpaolo 8.505% 20/09/2032	3,632,000	3,599	0.48	CPI Property Group 2.75% 22/01/2028	7,835,000	5,203	0.70
Intesa Sanpaolo FRN 8.248% 21/11/2033	1,125,000	952	0.13	Cidron Aida Finco 6.25% 01/04/2028	1,750,000	1,417	0.19
Superstrada Pedemontana Veneta, STEP 1.662% 30/06/2047	800,000	603	0.08	Cidron Aida Finco 5% 01/04/2028	1,132,000	856	0.12
UnipolSai Assicurazioni FRN 6.375% Perpetual	4,952,000	3,948	0.53	ADLER Group 2.25% 14/01/2029	400,000	117	0.02
		12,793	1.72	P3 Group 1.625% 26/01/2029	3,359,000	2,184	0.29
				Blackstone Property Partners Europe Holdings 1.75% 12/03/2029	9,307,000	6,008	0.81
Jersey 6.28% (4.45%)							
AA Bond 6.5% 31/01/2026	1,862,000	1,481	0.20	BK LC Lux Finco1 5.25% 30/04/2029	2,600,000	1,984	0.27
Kane Bidco 6.5% 15/02/2027	3,103,000	2,576	0.35	Altice Financing 5.75% 15/08/2029	2,087,000	1,365	0.18
Galaxy Finco 9.25% 31/07/2027	6,779,000	5,538	0.75	Altice Financing 4.25% 15/08/2029	1,156,000	826	0.11
Heathrow Funding 2.625% 16/03/2028	4,000,000	3,210	0.43	Logicor Financing 0.875% 14/01/2031	5,381,000	3,081	0.42
Heathrow Funding 2.75% 13/10/2031	5,689,000	4,685	0.63	MC Brazil Downstream Trading 7.25% 30/06/2031	1,000,000	686	0.09
Gatwick Funding 2.5% 15/04/2032	3,011,000	2,406	0.32	Logicor Financing 2% 17/01/2034	4,994,000	2,782	0.37
Gatwick Funding 5.75% 23/01/2039	513,000	485	0.07	CPI Property Group FRN 5.8% Perpetual	29,500,000	8,802	1.19
Gatwick Funding 3.125% 28/09/2041	4,020,000	2,749	0.37			54,899	7.39
AA Bond 6.269% 02/07/2043	12,039,000	11,410	1.54	Mexico 0.35% (0.43%)			
AA Bond 4.875% 31/07/2043	2,128,000	2,018	0.27	Electricidad Firme de Mexico Holdings 4.9% 20/11/2026	1,844,000	1,347	0.18
Gatwick Funding 3.25% 26/02/2048	402,000	260	0.04	Total Play Telecomu- nicaciones 6.375% 20/09/2028	1,941,000	1,262	0.17
Gatwick Funding 2.625% 07/10/2048	1,829,000	1,062	0.14			2,609	0.35
AA Bond 3.25% 31/07/2050	569,000	423	0.06	Netherlands 2.79% (3.01%)			
AA Bond 5.5% 31/07/2050	2,600,000	2,240	0.30	IPD 3 5.5% 01/12/2025	299,000	251	0.03
Gatwick Funding 2.875% 05/07/2051	10,220,000	6,049	0.81	Q-Park Holding I 2% 01/03/2027	3,100,000	2,288	0.31
		46,592	6.28	Teva Pharmaceutical Finance Netherlands II 3.75% 09/05/2027	2,000,000	1,533	0.21
Luxembourg 7.39% (6.12%)							
Garfunkelux Holdco 3 7.75% 01/11/2025	4,409,000	3,426	0.46	United Group 4% 15/11/2027	1,851,000	1,213	0.16
Cromwell Ereit Lux Finco REIT 2.125% 19/11/2025	12,193,000	8,645	1.16	United Group 4.625% 15/08/2028	1,576,000	1,025	0.14
P3 Group 0.875% 26/01/2026	5,090,000	3,754	0.51	VIA Outlets 1.75% 15/11/2028	8,085,000	5,393	0.73
Atento Luxco 1 8% 10/02/2026	1,732,000	770	0.10	Enel Finance International 2.875% 11/04/2029	1,999,000	1,707	0.23

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets		Holding at 31.12.22	Market Value £000's	% of net assets
Villa Dutch Bidco 9% 03/11/2029	1,305,000	1,088	0.15	United Kingdom 42.48% (46.45%)			
Digital Intrepid Holding REIT 1.375% 18/07/2032	3,838,000	2,416	0.33	Aviva FRN 6.875%	2,917,000	2,640	0.36
Enel Finance International 5.75% 14/09/2040	3,000,000	2,909	0.39	Just Group FRN 5%	1,104,000	782	0.11
Wintershall Dea Finance 2 FRN 2.499% Perpetual	1,200,000	856	0.11	Saga 3.375% 12/05/2024	1,199,000	1,068	0.14
		20,679	2.79	Liberty Living Finance 2.625% 28/11/2024	989,000	919	0.12
Panama 0.00% (0.66%)				Just Group 3.5% 07/02/2025	2,500,000	2,245	0.30
Poland 1.49% (1.38%)				TalkTalk Telecom Group 3.875% 20/02/2025	7,962,000	6,208	0.84
mBank FRN 0.966% 21/09/2027	16,400,000	11,069	1.49	Neptune Energy Bondco 6.625% 15/05/2025	4,238,000	3,421	0.46
		11,069	1.49	Tesco Personal Finance Group 3.5% 25/07/2025	3,349,000	3,130	0.42
Portugal 0.72% (0.23%)				Metro Bank FRN 9.5% 08/10/2025	1,581,000	1,225	0.17
Caixa Geral de Depositos FRN 5.75% 31/10/2028	3,300,000	2,962	0.40	Phoenix Group Holdings 6.625% 18/12/2025	2,112,000	2,104	0.28
Cia de Seguros Fidelidade FRN 4.25% 04/09/2031	3,300,000	2,370	0.32	Jerrold Finco 4.875% 15/01/2026	2,155,000	1,852	0.25
		5,332	0.72	Virgin Money UK FRN 3.375% 24/04/2026	7,927,000	7,316	0.99
Spain 1.69% (1.00%)				Tritax EuroBox 0.95% 02/06/2026	3,446,000	2,483	0.33
Unicaja Banco FRN 4.875%	5,000,000	3,186	0.43	Punch Finance 6.125% 30/06/2026	1,145,000	962	0.13
Unicaja Banco FRN 1% 01/12/2026	6,400,000	4,979	0.67	Informa 3.125% 05/07/2026	7,937,000	7,160	0.96
Grifols 2.25% 15/11/2027	1,340,000	1,035	0.14	Saga 5.5% 15/07/2026	5,520,000	4,090	0.55
CaixaBank FRN 3.5% 06/04/2028	3,800,000	3,355	0.45	Endeavour Mining 5% 14/10/2026	2,483,000	1,736	0.23
		12,555	1.69	Harbour Energy 5.5% 15/10/2026	1,000,000	745	0.10
Supranational 0.85% (0.75%)				SIG 5.25% 30/11/2026	250,000	183	0.02
ATP Tower Holdings 4.05% 27/04/2026	3,242,000	2,376	0.32	Jerrold Finco 5.25% 15/01/2027	4,117,000	3,401	0.46
Canpack 2.375% 01/11/2027	383,000	267	0.03	Intermediate Capital Group 1.625% 17/02/2027	27,792,000	20,176	2.72
Allied Universal Holdco 4.875% 01/06/2028	4,730,000	3,704	0.50	Whitbread Group 2.375% 31/05/2027	119,000	100	0.01
		6,347	0.85	Pinewood Finance 3.625% 15/11/2027	2,803,000	2,460	0.33
Sweden 0.50% (0.51%)				Nationwide Building Society FRN 6.178% 07/12/2027	2,935,000	2,941	0.40
Heimstaden 4.25% 09/03/2026	6,000,000	3,711	0.50	Quilter FRN 4.478% 28/02/2028	16,912,000	16,321	2.20
		3,711	0.50	Grainger 3.375% 24/04/2028	15,793,000	13,001	1.75
Switzerland 1.66% (0.92%)				Next Group 3.625% 18/05/2028	3,868,000	3,396	0.46
Raiffeisen Schweiz Genossenschaft 5.23% 01/11/2027	4,000,000	3,629	0.49				
Aryzta FRN 6.486% Perpetual	4,865,000	3,475	0.47				
UBS Group FRN 3.875% Perpetual	7,500,000	5,210	0.70				
		12,314	1.66				

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets		Holding at 31.12.22	Market Value £000's	% of net assets
Metro Bank FRN 5.5% 26/06/2028	2,017,000	1,127	0.15	Rentokil Initial 5% 27/06/2032	5,124,000	4,817	0.65
Investec Bank FRN 4.25% 24/07/2028	787,000	777	0.10	Pension Insurance 3.625% 21/10/2032	9,055,000	6,758	0.91
InterContinental Hotels Group 3.375% 08/10/2028	13,627,000	11,743	1.58	Barclays FRN 8.407% 14/11/2032	1,577,000	1,627	0.22
RI Finance Bonds No. 3 6.125% 13/11/2028	3,084,000	2,977	0.40	Investec FRN 9.125% 06/03/2033	1,351,000	1,369	0.18
NatWest Group FRN 3.619% 29/03/2029	2,711,000	2,365	0.32	NatWest Group FRN 7.416% 06/06/2033	1,791,000	1,804	0.24
Phoenix Group Holdings 5.867% 13/06/2029	7,052,000	6,496	0.88	Greene King Finance, STEP 5.106% 15/03/2034	7,434,457	6,495	0.88
Pearson Funding 3.75% 04/06/2030	11,334,000	9,968	1.34	Severn Trent Utilities Finance 4.625% 30/11/2034	922,000	864	0.12
Grainger 3% 03/07/2030	7,579,000	5,666	0.76	Greene King Finance 3.593% 15/03/2035	10,780,629	8,952	1.21
Pension Insurance 5.625% 20/09/2030	1,200,000	1,075	0.14	Manchester Airport Group Funding 2.875% 31/03/2039	2,583,000	1,787	0.24
Close Brothers Finance 1.625% 03/12/2030	4,695,000	3,480	0.47	3i Group 3.75% 05/06/2040	4,394,000	3,204	0.43
Virgin Money UK FRN 5.125% 11/12/2030	4,041,000	3,740	0.50	Tesco Property Finance 5 5.661% 13/10/2041	1,916,720	1,753	0.24
Mitchells & Butlers Finance FRN 5.219% 15/12/2030	9,006,021	6,883	0.93	Manchester Airport Group Funding 2.875% 30/09/2044	4,260,000	2,708	0.36
Mitchells & Butlers Finance, STEP 5.574% 15/12/2030	2,095,352	2,008	0.27	WPP Finance 2013 2.875% 14/09/2046	4,728,000	2,809	0.38
Sage Group 1.625% 25/02/2031	6,635,000	4,939	0.67	RL Finance Bonds No. 4 FRN 4.875% 07/10/2049	4,572,000	3,528	0.48
Just Group FRN 7% 15/04/2031	2,000,000	1,928	0.26	Channel Link Enterprises Finance FRN 2.706% 30/06/2050	6,303,000	5,009	0.67
Phoenix Group Holdings 5.625% 28/04/2031	6,452,000	5,694	0.77	M&G FRN 5.56% 20/07/2055	2,989,000	2,561	0.35
Whitbread Group 3% 31/05/2031	15,355,000	11,666	1.57	M&G FRN 6.34% 19/12/2063	5,901,000	5,214	0.70
Vmed O2 UK Financing I 4.5% 15/07/2031	4,553,000	3,461	0.47	M&G FRN 6.25% 20/10/2068	3,006,000	2,595	0.35
Berkeley Group 2.5% 11/08/2031	14,259,000	9,469	1.28	abrdn FRN 5.25% Perpetual	452,000	357	0.05
Phoenix Group Holdings FRN 4.75% 04/09/2031	12,800,000	9,758	1.31	BP Capital Markets FRN 4.25% Perpetual	4,450,000	3,909	0.53
Close Brothers Group FRN 2% 11/09/2031	3,409,000	2,818	0.38	BUPA Finance FRN 4% Perpetual	5,097,000	3,444	0.46
Greene King Finance, STEP, Series A2 5.318% 15/09/2031	914,960	844	0.11	HSBC Holdings FRN 4.6% Perpetual	6,817,000	4,435	0.60
NatWest Group FRN 2.105% 28/11/2031	6,518,000	5,399	0.73	Investec FRN 6.75% Perpetual	3,630,000	3,274	0.44
Utmost Group 4% 15/12/2031	2,373,000	1,732	0.23			315,364	42.48
Investec FRN 2.625% 04/01/2032	10,298,000	8,013	1.08				
				United States of America 4.15% (4.05%)			
				JPMorgan Chase FRN 5.546% 15/12/2025	9,417,000	7,820	1.05
				Northwest Fiber 4.75% 30/04/2027	857,000	627	0.08

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets		Holding at 31.12.22	Market Value £000's	% of net assets
Frontier Communications Holdings 5% 01/05/2028	2,527,000	1,824	0.25	Credit Default Swap BNP Paribas Buy Korea Government Bond 2.75% 19/01/2027 20/12/2026	6,458,558	(102)	(0.02)
Consolidated Communications 6.5% 01/10/2028	3,924,000	2,535	0.34	Credit Default Swap Morgan Stanley Buy ITRAXX.EUROPE. CROSSOVER.38-V1 20/12/2027	27,261,528	(269)	(0.04)
Cloud Software Group Holdings 6.5% 31/03/2029	1,817,000	1,273	0.17	Credit Default Swap BNP Paribas Buy Lanxess 1% 07/10/2026 20/12/2027	2,000,000	82	0.01
MPT Operating Partnership REIT 3.375% 24/04/2030	3,885,000	2,524	0.34	Credit Default Swap Morgan Stanley Sell ITRAXX. EUROPE.MAIN.32-V1 0% 20/12/2024 20/12/2024	132,524,195	1,094	0.15
National Health Investors REIT 3% 01/02/2031	16,250,000	9,769	1.32	Credit Default Swap Barclays Sell Intrum 3.125% 15/07/2024 20/06/2025	3,000,000	(97)	(0.01)
Morgan Stanley FRN 5.789% 18/11/2033	2,362,000	2,361	0.32	Credit Default Swap BNP Paribas Sell Next 5.375% 26/10/2021 20/12/2025	4,780,000	(54)	(0.01)
Energy Transfer FRN 6.25% Perpetual	2,382,000	1,683	0.23	Credit Default Swap Credit Suisse Sell Next 5.375% 26/10/2021 20/12/2025	4,400,000	(50)	(0.01)
Energy Transfer FRN 6.75% Perpetual	500,000	360	0.05	Credit Default Swap Morgan Stanley Sell Next 5.375% 26/10/2021 20/12/2025	10,000,000	(114)	(0.01)
		30,776	4.15	Credit Default Swap J.P. Morgan Sell CMA CGM 7.5% 15/01/2026 20/12/2026	2,000,000	66	0.01
Corporate Bonds total		656,833	88.47	Credit Default Swap Barclays Sell Faurecia 3.125% 15/06/2026 20/06/2027	800,000	18	0.00
Government Bonds 3.26% (6.83%)				Credit Default Swap BNP Paribas Sell Faurecia 3.125% 15/06/2026 20/06/2027	1,200,000	27	0.00
Chile 0.00% (0.65%)				Credit Default Swap Credit Suisse Sell TUI 5% 16/04/2028 20/06/2027	2,500,000	(392)	(0.05)
Mexico 0.00% (0.29%)				Credit Default Swap Barclays Sell Fresenius 1.875% 15/01/2026 20/12/2027	2,056,027	(87)	(0.01)
Peru 0.00% (0.31%)							
Romania 0.00% (0.52%)							
United Kingdom 3.26% (5.06%)							
UK Treasury 1.25% 31/07/2051	44,666,330	24,178	3.26				
		24,178	3.26				
Government Bonds total		24,178	3.26				
Convertible Bonds 0.29% (1.01%)							
Austria 0.29% (0.98%)							
ams-OSRAM 2.13% 03/11/2027	3,500,000	2,165	0.29				
		2,165	0.29				
Germany 0.00% (0.03%)							
Convertible Bonds total		2,165	0.29				
Equities 0.17% (0.00%)							
United States of America 0.17% (0.00%)							
Energy Transfer FRN	68,714	1,254	0.17				
		1,254	0.17				
Equities total		1,254	0.17				
Swaps 0.00% (0.17%)							
Credit Default Swap Barclays Buy Korea Government Bond 2.75% 19/01/2027 20/12/2026	3,229,279	(51)	(0.01)				

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets		Holding at 31.12.22	Market Value £000's	% of net assets
Credit Default Swap Morgan Stanley Sell AT& T 3.8% 15/01/2026 20/12/2027	8,426,000	(31)	0.00	Sell USD 14,154,455 Buy GBP 11,555,577 27/01/2023		(194)	(0.03)
Credit Default Swap BNP Paribas Sell 0 4.125% 16/03/2027 20/12/2027	6,000,000	(26)	0.00	Sell USD 35,848,324 Buy GBP 30,275,997 27/02/2023		541	0.07
Credit Default Swap Morgan Stanley Sell 0 4.125% 16/03/2027 20/12/2027	6,000,000	(26)	0.00	Forward Foreign Currency Contracts total		(273)	(0.04)
Swaps total		(12)	0.00	Futures (0.84)% (0.22%)			
Forward Foreign Currency Contracts (0.04)% (0.17%)				Euro-Bobl March 2023	(65)	182	0.03
Buy EUR 23,545,988 Sell GBP 20,351,849 27/01/2023		551	0.08	Euro-Bund March 2023	536	(3,497)	(0.47)
Buy SGD 3,641,519 Sell GBP 2,190,022 27/01/2023		66	0.01	Euro-Buxl 30 Year Bond March 2023	(289)	7,050	0.95
Buy USD 28,161,596 Sell GBP 23,069,457 27/01/2023		307	0.04	Japan 10 Year Bond March 2023	(1)	18	0.00
Buy USD 4,214,065 Sell GBP 3,549,075 27/01/2023		(51)	(0.01)	Long Gilt March 2023	1,957	(13,003)	(1.75)
Sell CHF 3,991,613 Buy GBP 3,546,461 27/01/2023		(54)	(0.01)	US 2 Year Note March 2023	910	231	0.03
Sell EUR 165,215,411 Buy GBP 144,090,698 27/01/2023		(2,577)	(0.35)	US 5 Year Note March 2023	(101)	97	0.01
Sell EUR 89,907,880 Buy GBP 78,391,670 27/02/2023		(1,530)	(0.21)	US 10 Year Note March 2023	(611)	554	0.08
Sell SGD 18,413,649 Buy GBP 11,225,211 27/01/2023		(185)	(0.02)	US 10 Year Ultra Bond March 2023	(235)	590	0.08
Sell USD 92,968,016 Buy GBP 80,025,215 27/01/2023		2,853	0.39	US Long Bond March 2023	55	(51)	(0.01)
				US Ultra Bond March 2023	(199)	1,562	0.21
				Futures total		(6,267)	(0.84)
				Portfolio of investments		677,878	91.31
				Net other assets		64,545	8.69
				Net assets attributable to shareholders		742,423	100.00

The comparative percentage figures in brackets are as at 31 December 2021.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

Statement of Total Return

For the year ended 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Income					
Net capital losses	2		(293,244)		(14,104)
Revenue	3	50,995		51,173	
Expenses	4	(5,985)		(7,933)	
Net revenue before taxation		45,010		43,240	
Taxation	5	(178)		(306)	
Net revenue after taxation			44,832		42,934
Total return before distributions			(248,412)		28,830
Distributions	6		(50,716)		(50,813)
Change in net assets attributable to shareholders from investment activities			(299,128)		(21,983)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	2022		2021	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		1,315,312		1,238,741
Amounts receivable on issue of shares	77,986		558,443	
Amounts payable on cancellation of shares	(382,484)		(487,060)	
		(304,498)		71,383
Dilution adjustment		353		1,157
Change in net assets attributable to shareholders from investment activities		(299,128)		(21,983)
Retained distribution on Accumulation shares		30,384		26,014
Closing net assets attributable to shareholders		742,423		1,315,312

Balance Sheet

As at 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Assets					
Investments			700,319		1,213,696
Current assets					
Debtors	8		11,562		15,693
Cash and bank balances	9		65,424		105,064
Total assets			777,305		1,334,453
Liabilities					
Investment liabilities			(22,441)		(9,953)
Creditors					
Bank overdrafts	10		(7,286)		(2,221)
Distributions payable			(4,121)		(5,382)
Other creditors	11		(1,034)		(1,585)
Total liabilities			(34,882)		(19,141)
Net assets attributable to shareholders			742,423		1,315,312

Notes to the Accounts

For the year ended 31 December 2022

1 Accounting policies

Basis of preparation

The applicable accounting policies adopted by Schroder Sterling Corporate Bond Fund are disclosed on pages 9 to 10.

2 Net capital losses

The net capital losses during the year comprise:

	2022	2021
	£000's	£000's
Non-derivative securities	(208,271)	(24,386)
Derivative contracts	(49,238)	(4,172)
Forward foreign currency contracts	(35,818)	13,842
Foreign currency gains	83	615
Transaction costs	-	(3)
Net capital losses	(293,244)	(14,104)

3 Revenue

	2022	2021
	£000's	£000's
Overseas dividends	184	574
Interest on debt securities	40,476	46,538
Bank interest	148	6
Net revenue return from derivative contracts	10,187	4,055
Total revenue	50,995	51,173

4 Expenses

	2022	2021
	£000's	£000's
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director fee	-	695
Administration charge	-	191
Schroders Annual Charge ^{1,2}	5,884	6,973
	5,884	7,859
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	-	9
Safe custody fees	-	10
	-	19
Other expenses:		
Interest payable	101	55
Total expenses	5,985	7,933

1 Fees such as the Authorised Corporate Director fee, Administration fee, Depositary fee were paid separately to 28 February 2021. From 1 March 2021 these fees were replaced with the Schroders Annual Charge.

2 Audit fees including VAT for the financial year ending 2022 were £11,508 (2021 - £11,508).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

5 Taxation

Corporation tax has not been provided for as expenses and interest distributions payable by the Fund exceed the revenue liable to corporation tax.

(a) Analysis of the tax charge for the year

	2022	2021
	£000's	£000's
Overseas withholding tax	178	306
Total current tax (Note 5(b))	178	306

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for Open Ended Investment Companies of 20% (2021 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2022	2021
	£000's	£000's
Net revenue before taxation	45,010	43,240
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	9,002	8,648
Effects of:		
Revenue not subject to corporation tax	(37)	(115)
Interest distributions deductible for tax purposes	(8,965)	(8,533)
Irrecoverable overseas withholding tax	178	306
Current tax charge for the year (Note 5(a))	178	306

6 Distributions

The distributions, which are on an effective yield basis, take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2022	2021
	£000's	£000's
Quarterly Interest distribution	12,473	13,307
Interim Interest distribution	13,269	12,409
Quarterly Interest distribution	12,746	11,994
Final Interest distribution	10,406	13,325
	48,894	51,035
Add: Revenue deducted on cancellation of shares	2,343	2,561
Deduct: Revenue received on issue of shares	(521)	(2,783)
Distributions	50,716	50,813
Net revenue after taxation	44,832	42,934
Expenses taken to capital	5,884	7,878
Movement in undistributed revenue	-	1
Distributions	50,716	50,813

Details of the distributions per share are set out in the Distribution Tables on pages 60 to 63.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

7 Fair value hierarchy

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Basis of valuation	2022		2021	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	35,716	(16,551)	69,885	(364)
Level 2: Observable market data	664,603	(5,890)	1,143,811	(9,589)
Level 3: Unobservable data	-	-	-	-
Total	700,319	(22,441)	1,213,696	(9,953)

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Authorised Corporate Director has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Authorised Corporate Director of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Authorised Corporate Director with particular attention paid to the carrying value of the investments.

8 Debtors

	2022 £000's	2021 £000's
Amounts receivable for issue of shares	1,324	2,835
Amounts receivable on derivative contracts	54	139
Accrued revenue	10,181	12,719
Overseas withholding tax recoverable	3	-
Total debtors	11,562	15,693

9 Cash and bank balances

	2022 £000's	2021 £000's
Cash and bank balances	30,207	91,696
Amounts held at futures clearing houses and brokers	35,217	13,368
Total cash and bank balances	65,424	105,064

10 Bank overdrafts

	2022 £000's	2021 £000's
Amounts overdrawn at futures clearing houses and brokers	7,286	2,221
Total bank overdrafts	7,286	2,221

Notes to the Accounts

For the year ended 31 December 2022 (continued)

11 Other creditors

	2022	2021
	£000's	£000's
Amounts payable for cancellation of shares	656	934
Accrued expenses	378	651
Total other creditors	1,034	1,585

12 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2021 – Nil).

13 Related party transactions

The Authorised Corporate Director provides key management personnel services for the Fund and is therefore considered a related party.

Amounts paid during the year or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies paid through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 17.34% (2021 – 15.88%).

14 Share classes

At the reporting date the Fund had ten share classes. The costs and expenses due to the Manager are referred to as the Schroders Annual Charge. Details of the charges applied to each share class can be found in the prospectus.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on pages 39 to 43.

The distributions per share class are given in the Distribution Tables on pages 60 to 63.

All classes have the same rights on winding up.

15 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, derivative, foreign currency, liquidity, credit and interest rate risks. The Authorised Corporate Director's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £67,787,800 (2021 - £120,374,300).

Derivative risk

Where a Fund trades in derivatives to achieve its investment objective, this involves a higher degree of risk and may lead to a higher volatility in the share prices of the Fund. The Authorised Corporate Director employs a risk management process to allow the Authorised Corporate Director to measure derivative and forward positions and their contribution to the overall risk profile of the Fund. As part of this risk management process the Authorised Corporate Director conducts daily value at risk analysis of the Fund and performs both stress and back testing of the Fund.

Foreign currency risk

Where a portion of the net assets of the Fund are denominated in currencies other than sterling the balance sheet and total return can be affected by currency movements. Therefore the Authorised Corporate Director may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the Fund's exposure to currency risk is reduced.

Revenue received in other currencies is translated to sterling on or near the date of receipt. The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the Collective Investment Schemes sourcebook.

Credit risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the Authorised Corporate Director as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

Interest rate risk

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

The Fund may invest in fixed and floating rate securities. The revenue of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the Authorised Corporate Director being unable to secure similar returns on the expiry of contracts or sale of securities.

The value of interest bearing securities may be affected by interest rate movements or the expectation of such movements in the future.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

Floating rate financial assets and financial liabilities

Sterling denominated bank balances and bank overdrafts bear interest at rates based on the Sterling Overnight Index Average Rate. Sterling denominated floating rate bonds and foreign currency bank balances and amounts held or overdrawn at futures clearing houses and brokers bear interest at rates based on the Sterling Overnight Index Average Rate or its international equivalent.

Euro denominated floating rate notes bear interest at rates based on Euro Interbank Offer Rate.

US dollar denominated floating rate notes/bonds bear interest at rates based on the US Secured Overnight Financing Rate.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Derivatives

During the year the Fund entered into derivative contracts for specific investment purposes in addition to being used for efficient management.

Global risk exposure

Relative VaR approach

This approach is used for the Funds whose risk can be managed in relation to a defined benchmark.

Regulatory VaR limit utilisation

	2022			2021		
	Lowest	Highest	Average	Lowest	Highest	Average
	45.16%	65.07%	54.45%	44.32%	60.61%	50.11%

Information on VaR model

Model type	Length of data history	2022			2021		
		Confidence level	Holding period	Length of data history	Confidence level	Holding period	
Parametric VaR	All available history	99.00%	20 days	All available history	99.00%	20 days	

Leverage

Information on the limit usage and level of leverage

The level of leverage is an indication of the derivative usage and of any leverage generated by the reinvestment of cash received as collateral when using efficient portfolio management techniques. It does not take into account other physical assets directly held in the portfolio of the Fund. The figure is not representative of the maximum amount that a Fund could lose, as it includes the derivatives used to protect the Net Asset Value of a Fund as well as the derivatives backed by risk free assets and derivatives which do not generate any incremental exposure, leverage or market risk from an economic perspective. The reported leverage figure is therefore not a true representation of the economic leverage¹ in the Fund.

The level of leverage disclosed is based on the total notional value² of all derivative instruments held by a Fund and is expressed as a percentage of the Fund's Net Asset Value. For the purpose of this calculation the holdings and offset derivative positions (long and short positions) do not cancel each other out and the figure is a sum of the total holdings.

Leverage

	2022				2021			
	Lowest	Highest	Average	Leverage 31 December	Lowest	Highest	Average	Leverage 31 December
	136.14%	385.85%	238.76%	151.24%	57.22%	269.42%	111.69%	168.45%

1 Where economic leverage is the sum of derivative commitments (calculated in line with European Securities and Markets Authority 10/788) and excludes derivatives used within hedging arrangements, derivatives whose commitments is covered by risk free assets and derivatives which are not considered to generate any incremental exposure and leverage or market risk.

2 Delta adjusted in line with European Securities and Markets Authority 10/788 when appropriate.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

16 Debt securities credit analysis

	2022 £000's	2021 £000's
Investment grade securities	500,797	881,393
Below investment grade securities	162,725	285,518
Unrated securities	19,654	29,467
Total debt securities	683,176	1,196,378

The Fund invests in credit default swaps to adjust the credit risk profile of the Fund. Notional amounts for credit default swap positions are shown in the portfolio statement. All counterparties for credit default swap positions at the reporting date are investment grade.

17 Direct transaction costs

In the case of shares, broker commissions and transfer taxes/stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	315,974	-	-	315,974	-	-
Sales						
Bonds	618,579	-	-	618,579	-	-
Equities	1,646	(1)	-	1,645	(0.06)	-
	620,225	(1)	-	620,224		
Total cost of the Fund's average net asset value (%)		-	-			

2021	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Bonds	788,380	-	-	788,380	-	-
Sales						
Bonds	723,568	-	-	723,568	-	-
Equities	7,311	(2)	-	7,309	(0.03)	-
	730,879	(2)	-	730,877		
Total cost of the Fund's average net asset value (%)		-	-			

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 1.24% (2021 – 0.74%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

18 Shares in issue reconciliation

	Number of shares in issue 31.12.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 31.12.22
A Accumulation shares	53,096,276	3,703,389	(12,768,210)	(237,305)	43,794,150
A Income shares	22,716,811	1,298,088	(5,283,550)	(168,617)	18,562,732
C Accumulation shares	4,469,706	654,605	(312,054)	(203,792)	4,608,465
C Income shares	12,961,847	272,880	(1,433,270)	(81,244)	11,720,213
Q Accumulation shares	2,000	-	-	-	2,000
Q Income shares	92,575,861	334,930	(60,968,962)	263,674	32,205,503
S Accumulation shares	2,557,610	103,893	(1,188,363)	641	1,473,781
S Income shares	386,668,488	28,733,647	(77,975,090)	(428,912)	336,998,133
Z Accumulation shares	364,064,679	23,937,220	(127,970,897)	272,588	260,303,590
Z Income shares	152,700,850	14,578,596	(66,502,114)	266,948	101,044,280

19 Counterparty exposure

The types of non-exchange traded derivatives held at the balance sheet date were forward foreign currency contracts and credit default swaps. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
Bank of America										
2022	(8)	-	-	-	-	-	-	-	-	(8)
2021	-	494	-	-	-	-	-	-	-	494
Barclays										
2022	(62)	(217)	-	-	-	-	-	-	-	(279)
2021	(14)	1,723	-	-	-	-	-	-	-	1,709
BNP Paribas										
2022	(1,243)	(73)	-	-	-	-	-	-	-	(1,316)
2021	42	276	-	-	-	-	-	-	-	318
Canadian Imperial Bank of Commerce										
2022	117	-	-	-	-	-	-	-	-	117
2021	-	-	-	-	-	-	-	-	-	-
Citigroup										
2022	19	-	-	-	-	-	-	-	-	19
2021	-	746	-	-	-	-	-	-	-	746
Credit Suisse										
2022	-	(442)	-	-	-	-	-	-	-	(442)
2021	-	224	-	-	-	-	-	-	-	224
Deutsche Bank										
2022	-	-	-	-	-	-	-	-	-	-
2021	221	-	-	-	-	-	-	-	-	221
Goldman Sachs										
2022	-	-	-	-	-	-	-	-	-	-
2021	(104)	197	-	-	-	-	-	-	-	93
HSBC										
2022	(147)	-	-	-	-	-	-	-	-	(147)
2021	-	-	-	-	-	-	-	-	-	-

Notes to the Accounts

For the year ended 31 December 2022 (continued)

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
J.P. Morgan										
2022	(152)	66	-	-	-	-	-	-	-	(86)
2021	2,128	490	-	-	-	-	-	-	-	2,618
Lloyds Bank										
2022	14	-	-	-	-	-	-	-	-	14
2021	-	-	-	-	-	-	-	-	-	-
Morgan Stanley										
2022	(1,100)	654	-	-	-	-	-	-	-	(446)
2021	(146)	(1,979)	-	-	-	-	118	-	-	(2,007)
Royal Bank of Canada										
2022	26	-	-	-	-	-	-	-	-	26
2021	150	-	-	-	-	-	-	-	-	150
State Street										
2022	(882)	-	-	-	-	-	-	-	-	(882)
2021	(142)	-	-	-	-	-	-	-	-	(142)
UBS										
2022	3,145	-	-	-	-	-	-	-	-	3,145
2021	31	-	-	-	-	-	-	-	-	31

The collateral pledged by the Fund on behalf of the counterparties at the balance sheet date was as follows:

Counterparty	2022 £000's	2021 £000's
Bank of America	-	(560)
Barclays	-	(1,960)
BNP Paribas	-	(340)
Citigroup	-	(870)
Credit Suisse	(550)	(260)
J.P. Morgan	260	(550)
Morgan Stanley	(1,134)	(6,798)
Total	(1,424)	(11,338)

The nature of collateral pledged by the Fund on behalf of the counterparties at the balance sheet date was as follows:

	2022 £000's	2021 £000's
Cash	(1,424)	(11,338)
Total	(1,424)	(11,338)

Notes to the Accounts

For the year ended 31 December 2022 (continued)

20 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 December 2022, the price of each share class has changed as follows:

	Number of shares in issue 21.4.23	Number of shares in issue 30.12.22	% change	Dealing price 21.4.23	Dealing price 30.12.22	% change
A Accumulation shares	38,235,734	43,794,150	(12.69)	78.16p	75.75p	3.18
A Income shares	17,592,039	18,562,732	(5.23)	53.22p	52.99p	0.43
C Accumulation shares	4,080,787	4,608,465	(11.45)	152.80p	147.90p	3.31
C Income shares	11,502,813	11,720,213	(1.85)	53.83p	53.51p	0.60
Q Accumulation shares	2,000	2,000	–	49.23p	47.60p	3.42
Q Income shares	22,435,297	32,205,503	(30.34)	41.87p	41.60p	0.65
S Accumulation shares	1,059,130	1,473,781	(28.14)	164.80p	159.40p	3.39
S Income shares	158,880,297	336,998,133	(52.85)	48.36p	48.04p	0.67
Z Accumulation shares	234,028,284	260,303,590	(10.09)	163.10p	157.80p	3.36
Z Income shares	97,509,475	101,044,280	(3.50)	105.20p	104.60p	0.57

The Fund experienced higher than average cancellation of shares post year end. The liquidity measures within the Fund remain within normal range and there is no immediate or material uncertainty about the viability of the Fund as a going concern.

Distribution Tables

Quarterly distribution for the three months ended 31 March 2022

Group 1 Shares purchased prior to 1 January 2022

Group 2 Shares purchased on or after 1 January 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.5.22 per share	Distribution paid 31.5.21 per share
A Accumulation shares				
Group 1	0.9595p	-	0.9595p	0.8889p
Group 2	0.4296p	0.5299p	0.9595p	0.8889p
A Income shares				
Group 1	0.6999p	-	0.6999p	0.6727p
Group 2	0.3871p	0.3128p	0.6999p	0.6727p
C Accumulation shares				
Group 1	1.8651p	-	1.8651p	1.7192p
Group 2	0.9273p	0.9378p	1.8651p	1.7192p
C Income shares				
Group 1	0.7038p	-	0.7038p	0.6730p
Group 2	0.5645p	0.1393p	0.7038p	0.6730p
Q Accumulation shares				
Group 1	0.5985p	-	0.5985p	0.5460p
Group 2	0.5985p	-	0.5985p	0.5460p
Q Income shares				
Group 1	0.5461p	-	0.5461p	0.5213p
Group 2	0.2529p	0.2932p	0.5461p	0.5213p
S Accumulation shares				
Group 1	2.0065p	-	2.0065p	1.8462p
Group 2	2.0065p	-	2.0065p	1.8462p
S Income shares				
Group 1	0.6307p	-	0.6307p	0.6022p
Group 2	0.3011p	0.3296p	0.6307p	0.6022p
Z Accumulation shares				
Group 1	1.9904p	-	1.9904p	1.8347p
Group 2	1.0662p	0.9242p	1.9904p	1.8347p
Z Income shares				
Group 1	1.3755p	-	1.3755p	1.3155p
Group 2	0.6732p	0.7023p	1.3755p	1.3155p

Interim distribution for the three months ended 30 June 2022

Group 1 Shares purchased prior to 1 April 2022

Group 2 Shares purchased on or after 1 April 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.8.22 per share	Distribution paid 31.8.21 per share
A Accumulation shares				
Group 1	1.1380p	-	1.1380p	0.8139p
Group 2	0.5795p	0.5585p	1.1380p	0.8139p

Distribution Tables

(continued)

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.8.22 per share	Distribution paid 31.8.21 per share
A Income shares				
Group 1	0.8211p	-	0.8211p	0.6099p
Group 2	0.4554p	0.3657p	0.8211p	0.6099p
C Accumulation shares				
Group 1	2.2147p	-	2.2147p	1.5759p
Group 2	1.4900p	0.7247p	2.2147p	1.5759p
C Income shares				
Group 1	0.8265p	-	0.8265p	0.6109p
Group 2	0.5538p	0.2727p	0.8265p	0.6109p
Q Accumulation shares				
Group 1	0.7075p	-	0.7075p	0.4980p
Group 2	0.7075p	-	0.7075p	0.4980p
Q Income shares				
Group 1	0.6417p	-	0.6417p	0.4734p
Group 2	0.4181p	0.2236p	0.6417p	0.4734p
S Accumulation shares				
Group 1	2.3837p	-	2.3837p	1.6931p
Group 2	2.3837p	-	2.3837p	1.6931p
S Income shares				
Group 1	0.7412p	-	0.7412p	0.5468p
Group 2	0.4701p	0.2711p	0.7412p	0.5468p
Z Accumulation shares				
Group 1	2.3635p	-	2.3635p	1.6818p
Group 2	1.1947p	1.1688p	2.3635p	1.6818p
Z Income shares				
Group 1	1.6156p	-	1.6156p	1.1941p
Group 2	0.8113p	0.8043p	1.6156p	1.1941p

Quarterly distribution for the three months ended 30 September 2022

Group 1 Shares purchased prior to 1 July 2022

Group 2 Shares purchased on or after 1 July 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 30.11.22 per share	Distribution paid 30.11.21 per share
A Accumulation shares				
Group 1	1.1792p	-	1.1792p	0.8243p
Group 2	0.5547p	0.6245p	1.1792p	0.8243p
A Income shares				
Group 1	0.8389p	-	0.8389p	0.6125p
Group 2	0.1336p	0.7053p	0.8389p	0.6125p
C Accumulation shares				
Group 1	2.2976p	-	2.2976p	1.5983p
Group 2	2.0343p	0.2633p	2.2976p	1.5983p

Distribution Tables

(continued)

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 30.11.22 per share	Distribution paid 30.11.21 per share
C Income shares				
Group 1	0.8456p	–	0.8456p	0.6143p
Group 2	0.5651p	0.2805p	0.8456p	0.6143p
Q Accumulation shares				
Group 1	0.7430p	–	0.7430p	0.5110p
Group 2	0.7430p	–	0.7430p	0.5110p
Q Income shares				
Group 1	0.6568p	–	0.6568p	0.4763p
Group 2	0.2374p	0.4194p	0.6568p	0.4763p
S Accumulation shares				
Group 1	2.4742p	–	2.4742p	1.7179p
Group 2	2.4742p	–	2.4742p	1.7179p
S Income shares				
Group 1	0.7586p	–	0.7586p	0.5501p
Group 2	0.4492p	0.3094p	0.7586p	0.5501p
Z Accumulation shares				
Group 1	2.4519p	–	2.4519p	1.7056p
Group 2	1.1042p	1.3477p	2.4519p	1.7056p
Z Income shares				
Group 1	1.6528p	–	1.6528p	1.2008p
Group 2	0.8615p	0.7913p	1.6528p	1.2008p

Final distribution for the three months ended 31 December 2022

Group 1 Shares purchased prior to 1 October 2022

Group 2 Shares purchased on or after 1 October 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
A Accumulation shares				
Group 1	1.0512p	–	1.0512p	0.9672p
Group 2	0.5830p	0.4682p	1.0512p	0.9672p
A Income shares				
Group 1	0.7356p	–	0.7356p	0.7124p
Group 2	0.2715p	0.4641p	0.7356p	0.7124p
C Accumulation shares				
Group 1	2.0509p	–	2.0509p	1.8775p
Group 2	1.6044p	0.4465p	2.0509p	1.8775p
C Income shares				
Group 1	0.7424p	–	0.7424p	0.7153p
Group 2	0.2363p	0.5061p	0.7424p	0.7153p
Q Accumulation shares				
Group 1	0.6590p	–	0.6590p	0.5990p
Group 2	0.6590p	–	0.6590p	0.5990p

Distribution Tables

(continued)

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
Q Income shares				
Group 1	0.5769p	–	0.5769p	0.5549p
Group 2	0.2563p	0.3206p	0.5769p	0.5549p
S Accumulation shares				
Group 1	2.2095p	–	2.2095p	2.0189p
Group 2	1.0789p	1.1306p	2.2095p	2.0189p
S Income shares				
Group 1	0.6664p	–	0.6664p	0.6409p
Group 2	0.2915p	0.3749p	0.6664p	0.6409p
Z Accumulation shares				
Group 1	2.1887p	–	2.1887p	2.0036p
Group 2	1.0094p	1.1793p	2.1887p	2.0036p
Z Income shares				
Group 1	1.4512p	–	1.4512p	1.3983p
Group 2	0.6893p	0.7619p	1.4512p	1.3983p

Equalisation

Equalisation applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Securities Financing Transactions (unaudited)

The Fund has not engaged in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, these include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions, margin lending transactions and Total Return Swaps). Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the accounting year ended 31 December 2022.

Schroder European Recovery Fund

Fund Information

Investment objective and policy

Schroder European Recovery Fund (the 'Fund') aims to provide capital growth in excess of the FTSE World Series Europe ex UK (Gross Total Return) Index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of European companies, excluding the UK.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of European companies, excluding the UK.

The Fund applies a disciplined value investment approach, seeking to invest in a select portfolio of companies that the Investment Manager believes are significantly undervalued relative to their long-term earnings potential.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries (including the UK), regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim reducing risk or managing the Fund more efficiently (for more information please refer to Appendix III. Section 10: Derivatives and Forwards of the Prospectus).

Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the FTSE World Series Europe ex UK (Gross Total Return) Index, and compared against the MSCI Europe Ex UK Value (Gross Total Return) Index, and the Investment Association Europe ex UK sector average return. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmarks have been selected because the Investment Adviser and the ACD believe that these benchmarks are suitable comparison for performance purposes given the Fund's investment objective and policy.

Review of Investment Activities

From 31 December 2021 to 30 December 2022, the price of A Accumulation shares on a dealing price basis rose 5.81%. In the same period, the FTSE¹ World Series Europe ex UK index generated a negative total return of 6.98%² in sterling terms.

European shares declined in 2022. Rising inflation saw the European Central Bank raise interest rates from the previous ultra-low levels. Russia's invasion of Ukraine in February contributed to the higher inflation. It also led to concerns over potential energy shortages in countries previously reliant on Russian natural gas. The energy sector benefited from higher energy prices but most other sectors suffered amid the rising costs. Financials was another positive sector with banks able to pass on the higher interest rates.

Against this backdrop, the Fund outperformed the index and registered a positive absolute return, thanks to strong stock selection.

The leading individual contributor was Dassault Aviation, a manufacturer of both military and business jets. The stock benefited from Europe's plans to increase defence spending in the wake of Russia's invasion of Ukraine.

Many of our energy and energy-sector related holdings were also among the top contributors. Many such firms are lowly valued and the shares responded positively to the pick-up in oil prices. Contributors included oil majors Repsol and Eni as well as drilling rig operator Drilling Co. of 1972 (which has now merged with Noble Corporation) and geophysical data provider TGS.

Our banking sector holdings added value, including Italy's UniCredit. However, Credit Suisse Group was the main individual detractor. Risk management mis-steps around Greensill and Archegos have led to a sharp decline in the valuation. The bank has put a restructuring plan in place, which included a capital raise.

New holdings in the period include carmaker Renault, consumer staples group Henkel, materials group HeidelbergCement and energy sector supplier Tecnicas Reunidas. We exited Atos due to a change of view compared to our original expectations. We think the journey to reach higher profit margins may take longer than anticipated.

**Fund Manager, Schroder Global Value Team:
Andrew Lyddon**



Co-manager of UK Recovery, European Income and European Recovery strategies

Managed value portfolios at Schroders since 2010

Co-manager on UK Value institutional portfolios from 2010 to 2016

Founding member of the Global Value Team in 2013

Investment career commenced in October 2005, at Schroders as an Equity Analyst within the Pan-European research team. Previously sector analyst responsible for Telecoms, Construction and Support Services

Chartered Financial Analyst

MSc in Intellectual Property Law, Queen Mary College. Degree in Chemistry, Bath University

**Fund Manager, Schroder Global Value Team:
Andrew Evans**



Co-manager of UK Income, European Income, European Recovery and European Sustainable strategies

Managed value portfolios at Schroders since 2016

Joined Schroders in the Global Value Team in June 2015

Investment career commenced in 2001

Worked at Threadneedle in UK research and Dresdner Kleinwort as a Pan-European Transport analyst

Chartered Financial Analyst

Degree in Economics, Exeter University

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² Source: Refinitiv Eikon Datastream.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Risk Profile

Risk and reward indicator



The risk category was calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Comparative Table

Financial year to 31 December	A Accumulation shares			C Accumulation shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	831.64	708.55	771.08	916.96	775.40	838.05
Return before operating charges*	58.75	136.87	(51.79)	65.23	150.10	(55.62)
Operating charges	(14.12)	(13.78)	(10.74)	(8.77)	(8.54)	(7.03)
Return after operating charges*	44.63	123.09	(62.53)	56.46	141.56	(62.65)
Distributions**	(19.95)	(13.08)	(3.18)	(28.90)	(20.97)	(8.14)
Retained distributions**	19.95	13.08	3.18	28.90	20.97	8.14
Closing net asset value	876.27	831.64	708.55	973.42	916.96	775.40
*after direct transaction costs of	(0.41)	(0.64)	(0.57)	(0.46)	(0.70)	(0.62)
Performance						
Return after charges (%)	5.37	17.37	(8.11)	6.16	18.26	(7.48)
Other information						
Closing net asset value (£000's)	60,879	69,061	67,024	12,071	12,448	12,790
Closing number of shares	6,947,523	8,304,181	9,459,367	1,240,046	1,357,567	1,649,457
Operating charges (%)	1.71	1.71	1.70	0.96	0.96	0.95
Direct transaction costs (%)	0.05	0.08	0.09	0.05	0.08	0.09
Prices						
Highest dealing price	892.00p	860.70p	783.97p	986.70p	948.00p	852.17p
Lowest dealing price	726.90p	700.40p	469.22p	806.00p	766.90p	510.52p

Comparative Table (continued)

Financial year to 31 December	C Income shares			L Accumulation shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	774.15	669.88	731.43	84.08	71.05	76.68
Return before operating charges*	55.56	129.84	(48.30)	5.98	13.76	(5.08)
Operating charges	(7.41)	(7.41)	(6.21)	(0.73)	(0.73)	(0.55)
Return after operating charges*	48.15	122.43	(54.51)	5.25	13.03	(5.63)
Distributions**	(24.42)	(18.16)	(7.04)	(2.72)	(1.98)	(0.83)
Retained distributions**	-	-	-	2.72	1.98	0.83
Closing net asset value	797.88	774.15	669.88	89.33	84.08	71.05
*after direct transaction costs of	(0.39)	(0.61)	(0.54)	(0.04)	(0.06)	(0.06)
Performance						
Return after charges (%)	6.22	18.28	(7.45)	6.24	18.34	(7.34)
Other information						
Closing net asset value (£000's)	154	149	129	51,702	53,522	22,893
Closing number of shares	19,311	19,311	19,311	57,876,874	63,653,899	32,222,362
Operating charges (%)	0.96	0.96	0.95	0.88	0.88	0.87
Direct transaction costs (%)	0.05	0.08	0.09	0.05	0.08	0.09
Prices						
Highest dealing price	833.60p	819.20p	743.93p	90.51p	86.92p	77.98p
Lowest dealing price	680.90p	662.60p	445.67p	73.96p	70.27p	46.74p

Comparative Table (continued)

Financial year to 31 December	L Income shares			Q1 Accumulation shares ¹
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share
Change in net asset value				
Opening net asset value	70.77	61.22	66.86	50.00
Return before operating charges*	5.07	11.88	(4.42)	3.13
Operating charges	(0.61)	(0.63)	(0.48)	(0.19)
Return after operating charges*	4.46	11.25	(4.90)	2.94
Distributions**	(2.29)	(1.70)	(0.74)	(0.23)
Retained distributions**	-	-	-	0.23
Closing net asset value	72.94	70.77	61.22	52.94
*after direct transaction costs of	(0.03)	(0.06)	(0.05)	(0.02)
Performance				
Return after charges (%)	6.30	18.38	(7.33)	5.88
Other information				
Closing net asset value (£000's)	50,886	4,070	887	2
Closing number of shares	69,762,113	5,750,972	1,448,542	3,000
Operating charges (%)	0.88	0.88	0.87	0.80
Direct transaction costs (%)	0.05	0.08	0.09	0.05
Prices				
Highest dealing price	76.23p	74.92p	68.01p	53.25p
Lowest dealing price	62.28p	60.57p	40.77p	43.82p

Comparative Table (continued)

Financial year to 31 December	Q1 Income shares ¹	S Accumulation shares		
	2022 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value				
Opening net asset value	50.00	936.36	788.82	848.87
Return before operating charges*	3.14	66.86	152.86	(56.01)
Operating charges	(0.19)	(5.43)	(5.32)	(4.04)
Return after operating charges*	2.95	61.43	147.54	(60.05)
Distributions**	(0.23)	(33.12)	(24.80)	(11.21)
Retained distributions**	-	33.12	24.80	11.21
Closing net asset value	52.72	997.79	936.36	788.82
*after direct transaction costs of	(0.02)	(0.47)	(0.72)	(0.63)
Performance				
Return after charges (%)	5.90	6.56	18.70	(7.07)
Other information				
Closing net asset value (£000's)	2	3,525	4,497	4,818
Closing number of shares	3,000	353,234	480,215	610,794
Operating charges (%)	0.80	0.58	0.58	0.57
Direct transaction costs (%)	0.05	0.05	0.08	0.09
Prices				
Highest dealing price	53.25p	1,009.00p	967.60p	863.30p
Lowest dealing price	43.82p	825.50p	780.40p	517.78p

Comparative Table (continued)

Financial year to 31 December	S Income shares			Z Accumulation shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	66.56	57.58	62.82	970.50	820.69	886.44
Return before operating charges*	4.81	11.18	(4.12)	69.07	158.89	(58.78)
Operating charges	(0.39)	(0.39)	(0.30)	(9.30)	(9.08)	(6.97)
Return after operating charges*	4.42	10.79	(4.42)	59.77	149.81	(65.75)
Distributions**	(2.36)	(1.81)	(0.82)	(30.57)	(21.87)	(9.03)
Retained distributions**	-	-	-	30.57	21.87	9.03
Closing net asset value	68.62	66.56	57.58	1,030.27	970.50	820.69
*after direct transaction costs of	(0.03)	(0.05)	(0.05)	(0.48)	(0.74)	(0.66)
Performance						
Return after charges (%)	6.64	18.74	(7.04)	6.16	18.25	(7.42)
Other information						
Closing net asset value (£000's)	1,762	2,590	3,147	93,947	124,528	95,263
Closing number of shares	2,568,222	3,891,035	5,464,679	9,118,687	12,831,340	11,607,583
Operating charges (%)	0.58	0.58	0.57	0.96	0.96	0.95
Direct transaction costs (%)	0.05	0.08	0.09	0.05	0.08	0.09
Prices						
Highest dealing price	71.79p	70.65p	63.91p	1,044.00p	1,003.00p	901.43p
Lowest dealing price	58.72p	56.98p	38.33p	853.10p	811.70p	540.28p

Comparative Table (continued)

Financial year to 31 December	Z Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value			
Opening net asset value	756.67	654.81	714.48
Return before operating charges*	54.24	126.98	(47.14)
Operating charges	(7.14)	(7.31)	(5.63)
Return after operating charges*	47.10	119.67	(52.77)
Distributions**	(23.89)	(17.81)	(6.90)
Closing net asset value	779.88	756.67	654.81
*after direct transaction costs of	(0.37)	(0.60)	(0.53)
Performance			
Return after charges (%)	6.22	18.28	(7.39)
Other information			
Closing net asset value (£000's)	21,585	6,087	3,577
Closing number of shares	2,767,776	804,473	546,270
Operating charges (%)	0.96	0.96	0.95
Direct transaction costs (%)	0.05	0.08	0.09
Prices			
Highest dealing price	814.80p	800.70p	726.82p
Lowest dealing price	665.60p	647.70p	435.62p

** These figures have been rounded to 2 decimal places.

*** Direct transaction costs have been stated after deducting the proportion of the amounts collected from dilution adjustments.

1 Q1 Accumulation shares launched on 22 June 2022.

2 Q1 Income shares launched on 22 June 2022.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Statement

	Holding at 31.12.22	Market Value £000's	% of net assets
Equities 94.43% (97.59%)			
Australia 1.62% (2.09%)			
South32	2,130,767	4,805	1.62
		4,805	1.62
Belgium 3.01% (3.78%)			
Ageas	217,629	7,998	2.70
bpost	214,632	915	0.31
		8,913	3.01
Denmark 2.07% (3.34%)			
H Lundbeck	1,976,107	6,144	2.07
		6,144	2.07
France 23.11% (24.31%)			
Arkema	59,401	4,421	1.49
AXA	390,470	9,026	3.04
BNP Paribas	169,890	8,026	2.71
Dassault Aviation	24,469	3,434	1.16
Elior Group	2,182,972	6,384	2.15
Orange	893,232	7,355	2.48
Publicis Groupe	145,351	7,655	2.58
Renault	204,516	5,670	1.91
Sanofi	151,752	12,096	4.08
Television Francaise 1	703,177	4,464	1.51
		68,531	23.11
Germany 28.65% (21.20%)			
Allianz	62,862	11,216	3.78
Bayer	163,410	7,036	2.37
CECONOMY	3,276,966	5,414	1.83
Continental	152,159	7,584	2.56
Covestro	153,693	4,995	1.68
Deutsche Lufthansa	888,677	6,127	2.07
Fresenius	164,613	3,837	1.29
HeidelbergCement	108,767	5,165	1.74
Henkel	120,644	6,460	2.18
Jungheinrich	241,472	5,656	1.91
Norma Group	323,796	4,884	1.65
Schaeffler Preference	1,163,182	6,579	2.22
Telefonica Deutschland Holding	3,584,346	7,298	2.46
Vitesco Technologies Group	56,041	2,697	0.91
		84,948	28.65

	Holding at 31.12.22	Market Value £000's	% of net assets
Greece 0.00% (0.97%)			
Italy 7.76% (8.94%)			
Eni	507,157	5,978	2.02
Intesa Sanpaolo	3,238,899	5,971	2.01
Saipem	3,200,706	3,191	1.08
UniCredit	670,560	7,872	2.65
		23,012	7.76
Luxembourg 4.18% (4.39%)			
RTL Group	198,321	6,950	2.34
SES ADR	1,008,303	5,447	1.84
		12,397	4.18
Netherlands 7.59% (8.66%)			
ABN AMRO Bank CVA	708,655	8,123	2.74
ING Groep	833,318	8,420	2.84
Technip Energies	457,784	5,958	2.01
		22,501	7.59
Norway 0.00% (4.85%)			
Russia 0.00% (2.30%)			
Capital [^]	1	0	0.00
LUKOIL [^]	57,659	0	0.00
		0	0.00
Spain 3.89% (2.82%)			
Repsol	452,789	5,966	2.01
Tecnicas Reunidas	686,076	5,551	1.88
		11,517	3.89
Sweden 2.49% (0.00%)			
Bonava B	1,682,024	3,940	1.33
Nobia	2,029,260	3,455	1.16
		7,395	2.49
Switzerland 4.95% (4.03%)			
Credit Suisse Group	1,529,583	3,799	1.28
GAM Holding	3,654,713	3,054	1.03
Swatch Group	33,151	7,834	2.64
		14,687	4.95
United Kingdom 5.11% (5.91%)			
BT Group	2,583,032	2,894	0.97
GSK	213,842	3,074	1.04
Noble	165,717	5,152	1.74
Tesco	1,802,253	4,041	1.36
		15,161	5.11
Equities total		280,011	94.43
Portfolio of investments		280,011	94.43
Net other assets		16,504	5.57
Net assets attributable to shareholders		296,515	100.00

The comparative percentage figures in brackets are as at 31 December 2021.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

[^] Unlisted, suspended or delisted security.

Statement of Total Return

For the year ended 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Income					
Net capital gains	2		8,513		28,383
Revenue	3	11,531		7,935	
Expenses	4	(3,096)		(2,609)	
Net revenue before taxation		8,435		5,326	
Taxation	5	(632)		(976)	
Net revenue after taxation			7,803		4,350
Total return before distributions			16,316		32,733
Distributions	6		(7,808)		(4,350)
Change in net assets attributable to shareholders from investment activities			8,508		28,383

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	2022		2021	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		276,952		210,528
Amounts receivable on issue of shares	144,670		97,652	
Amounts payable on cancellation of shares	(140,047)		(65,296)	
		4,623		32,356
Dilution adjustment		207		130
Change in net assets attributable to shareholders from investment activities		8,508		28,383
Retained distribution on Accumulation shares		6,225		5,555
Closing net assets attributable to shareholders		296,515		276,952

Balance Sheet

As at 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Assets					
Investments			280,011		270,265
Current assets					
Debtors	8		2,255		2,037
Cash and bank balances			16,901		5,255
Total assets			299,167		277,557
Liabilities					
Creditors					
Bank overdrafts	9		(2)		-
Distributions payable			(2,324)		(315)
Other creditors	10		(326)		(290)
Total liabilities			(2,652)		(605)
Net assets attributable to shareholders			296,515		276,952

Notes to the Accounts

For the year ended 31 December 2022

1 Accounting policies

Basis of preparation

The applicable accounting policies adopted by Schroder European Recovery Fund are disclosed on pages 9 to 10.

2 Net capital gains

The net capital gains during the year comprise:

	2022	2021
	£000's	£000's
Non-derivative securities	7,682	28,874
Forward foreign currency contracts	-	(20)
Foreign currency gains/(losses)	831	(469)
Transaction costs	-	(2)
Net capital gains	8,513	28,383

3 Revenue

	2022	2021
	£000's	£000's
UK dividends	663	342
Overseas dividends	10,829	7,587
Bank interest	39	-
Interest on tax reclaims	-	6
Total revenue	11,531	7,935

4 Expenses

	2022	2021
	£000's	£000's
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director fee	-	327
Administration charge	-	50
Schroders Annual Charge ^{1,2}	3,054	2,137
	3,054	2,514
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	-	3
Safe custody fees	-	4
Dividend expenses	1	10
	1	17
Other expenses:		
Professional fee	1	32
Interest payable	40	46
	41	78
Total expenses	3,096	2,609

1 Fees such as the Authorised Corporate Director fee, Administration fee, Depositary fee were paid separately to 28 February 2021. From 1 March 2021 these fees were replaced with the Schroders Annual Charge.

2 Audit fees including VAT for the financial year ending 2022 were £8,582 (2021 - £8,582).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

5 Taxation

Corporation tax has not been provided for as expenses payable by the Fund exceed the revenue liable to corporation tax.

(a) Analysis of the tax charge for the year

	2022	2021
	£000's	£000's
Overseas withholding tax	632	1,070
Prior year adjustment	-	(94)
Total current tax (Note 5(b))	632	976

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for Open Ended Investment Companies of 20% (2021 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2022	2021
	£000's	£000's
Net revenue before taxation	8,435	5,326
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	1,687	1,065
Effects of:		
Revenue not subject to corporation tax	(2,300)	(1,489)
Movement in excess management expenses	578	449
Overseas withholding tax	632	1,070
Expensed withholding tax incurred	-	(7)
Movement in revenue taxable in different periods	35	(26)
Prior year adjustment	-	(94)
Loan relationship deficit	-	8
Current tax charge for the year (Note 5(a))	632	976

(c) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £16,521,619 (2021 – £15,943,473) in respect of unutilised management expenses and loan relationship debits. It is unlikely the Company will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year.

6 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2022	2021
	£000's	£000's
Final Dividend distribution	8,549	5,870
Add: Revenue deducted on cancellation of shares	2,957	370
Deduct: Revenue received on issue of shares	(3,698)	(1,890)
Distributions	7,808	4,350
Net revenue after taxation	7,803	4,350
Equalisation on conversions	5	-
Distributions	7,808	4,350

Details of the distributions per share are set out in the Distribution Tables on pages 83 to 84.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

7 Fair value hierarchy

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Basis of valuation	2022		2021	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	280,011	-	270,265	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	280,011	-	270,265	-

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Authorised Corporate Director has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Authorised Corporate Director of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Authorised Corporate Director with particular attention paid to the carrying value of the investments.

8 Debtors

	2022	2021
	£000's	£000's
Amounts receivable for issue of shares	722	674
Accrued revenue	89	280
Overseas withholding tax recoverable	1,444	1,083
Total debtors	2,255	2,037

9 Bank Overdraft

	2022	2021
	£000's	£000's
Bank overdrafts	2	-
Total bank overdrafts	2	-

10 Other creditors

	2022	2021
	£000's	£000's
Amounts payable for cancellation of shares	67	33
Accrued expenses	259	257
Total other creditors	326	290

11 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2021 - Nil).

12 Related party transactions

The Authorised Corporate Director provides key management personnel services for the Fund and is therefore considered a related party.

Amounts paid during the year or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies received through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 2.82% (2021 – 2.87%).

13 Share classes

At the reporting date the Fund had eleven share classes. The costs and expenses due to the Manager are referred to as the Schrodgers Annual Charge. Details of the charges applied to each share class can be found in the prospectus.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on pages 68 to 73.

The distributions per share class are given in the Distribution Tables on pages 83 to 84.

All classes have the same rights on winding up.

14 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity and interest rate risks. The Authorised Corporate Director's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £28,001,100 (2021 – £27,026,500).

Foreign currency risk

Where a portion of the net assets of the Fund are denominated in currencies other than sterling the balance sheet and total return can be affected by currency movements. Therefore the Authorised Corporate Director may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the Fund's exposure to currency risk is reduced.

Revenue received in other currencies is translated to sterling on or near the date of receipt. The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Currency risk profile

The currency risk profile of the Fund's net assets and liabilities at the balance sheet date was as follows:

Currency	2022 £000's	2021 £000's
Australian dollar	4,805	5,797
Canadian dollar	2	7
Danish krone	11,451	9,359
Euro	243,662	211,346
Norwegian krone	-	13,431
Sterling	14,515	19,321
Swedish krona	7,395	-
Swiss franc	14,687	11,163
US dollar	(2)	6,528

At the year end date, if the value of Sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £28,200,000 (2021 – £25,763,100).

Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the Collective Investment Schemes sourcebook.

Interest rate risk

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

Interest receivable on bank deposits positions will be affected by fluctuations in interest rates.

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of financial assets and financial liabilities at the balance sheet date was as follows:

Currency	2022				2021			
	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's
Australian dollar	-	-	4,805	4,805	-	-	5,797	5,797
Canadian dollar	-	-	2	2	-	-	7	7

Notes to the Accounts

For the year ended 31 December 2022 (continued)

Currency	2022				2021			
	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's
Danish krone	-	-	11,451	11,451	-	-	9,359	9,359
Euro	10,556	-	233,106	243,662	2,503	-	208,843	211,346
Norwegian krone	-	-	-	-	-	-	13,431	13,431
Sterling	6,345	-	10,820	17,165	2,752	-	17,174	19,926
Swedish krona	-	-	7,395	7,395	-	-	-	-
Swiss franc	-	-	14,687	14,687	-	-	11,163	11,163
US dollar	-	-	-	-	-	-	6,528	6,528

Currency	2022				2021			
	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's
Sterling	-	-	2,650	2,650	-	-	605	605
US dollar	2	-	-	2	-	-	-	-

At the year end, if all interest rates increased or decreased by 10%, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £1,689,900 (2021 - £525,500).

Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average Rate. Foreign currency bank balances and bank overdrafts bear interest at rates based on the Sterling Overnight Index Average Rate or its international equivalent.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Global risk exposure

Commitment approach

When using derivatives, the Authorised Corporate Director uses a risk management process that enables it to monitor the risk of a Fund's derivative positions. The global risk exposure of a Fund is calculated daily either by means of the commitment approach or the Value-at-Risk (VaR) approach.

Under the commitment approach, the global risk exposure is defined as the underlying market value of derivatives, after netting and hedging as permitted by the regulation, not exceeding the Net Asset Value of a Fund. This is typically used on Funds where derivative usage is low or Funds which limit their derivatives commitment to 100% or less of their Net Asset Value.

The global risk exposure of the Fund is calculated using the commitment approach. During the year ended 31 December 2022 the global risk exposure of the Fund did not exceed 100% of its Net Asset Value. The lowest, highest, average and actual level of leverage for the Fund as at the balance sheet date was as follows:

Leverage

	2022				2021			
	Lowest	Highest	Average	Leverage 31 December	Lowest	Highest	Average	Leverage 31 December
	0.00%	8.04%	0.19%	0.00%	0.00%	9.14%	0.24%	0.00%

15 Direct transaction costs

In the case of shares, broker commissions and transfer taxes/stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Purchases ¹ :						
Equities	181,624	62	157	181,843	0.03	0.09
Corporate actions purchases:						
Equities	749	-	-	749	-	-
	182,373	62	157	182,592		
Sales						
Equities	180,597	(65)	(1)	180,531	(0.04)	-
Total cost of the Fund's average net asset value (%)		0.05	0.06			

1 Excluding corporate actions.

2021	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	150,128	38	177	150,343	0.03	0.12
Sales						
Equities	111,033	(48)	(1)	110,984	(0.04)	-
Total cost of the Fund's average net asset value (%)		0.04	0.08			

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.14% (2021 – 0.17%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

16 Shares in issue reconciliation

	Number of shares in issue 31.12.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 31.12.22
A Accumulation shares	8,304,181	404,198	(1,358,636)	(402,220)	6,947,523
C Accumulation shares	1,357,567	20,684	(132,592)	(5,613)	1,240,046
C Income shares	19,311	-	-	-	19,311
L Accumulation shares	63,653,899	62,534,438	(71,769,414)	3,457,951	57,876,874
L Income shares	5,750,972	66,287,704	(2,233,267)	(43,296)	69,762,113
Q1 Accumulation shares	-	3,000	-	-	3,000
Q1 Income shares	-	3,000	-	-	3,000
S Accumulation shares	480,215	26	(128,502)	1,495	353,234
S Income shares	3,891,035	-	(1,322,813)	-	2,568,222
Z Accumulation shares	12,831,340	2,959,563	(6,717,996)	45,780	9,118,687
Z Income shares	804,473	2,561,919	(605,959)	7,343	2,767,776

Notes to the Accounts

For the year ended 31 December 2022 (continued)

17 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 December 2022, the price of each share class has changed as follows:

	Dealing price 21.4.23	Dealing price 30.12.22	% change
A Accumulation shares	988.50p	881.10p	12.19
C Accumulation shares	1,101.00p	978.80p	12.48
C Income shares	902.80p	826.90p	9.18
L Accumulation shares	101.00p	89.83p	12.43
L Income shares	82.56p	75.65p	9.13
Q1 Accumulation shares	59.89p	53.24p	12.49
Q1 Income shares	59.64p	53.24p	12.02
S Accumulation shares	1,130.00p	1,003.00p	12.66
S Income shares	77.74p	71.37p	8.93
Z Accumulation shares	1,165.00p	1,036.00p	12.45
Z Income shares	882.50p	808.20p	9.19

Distribution Table

Final distribution for the year ended 31 December 2022

Group 1 Shares purchased prior to 1 January 2022

Group 2 Shares purchased on or after 1 January 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
A Accumulation shares				
Group 1	19.9467p	-	19.9467p	13.0837p
Group 2	9.6044p	10.3423p	19.9467p	13.0837p
C Accumulation shares				
Group 1	28.9021p	-	28.9021p	20.9665p
Group 2	14.2348p	14.6673p	28.9021p	20.9665p
C Income shares				
Group 1	24.4230p	-	24.4230p	18.1594p
Group 2	24.4230p	-	24.4230p	18.1594p
L Accumulation shares				
Group 1	2.7239p	-	2.7239p	1.9778p
Group 2	0.2828p	2.4411p	2.7239p	1.9778p
L Income shares				
Group 1	2.2899p	-	2.2899p	1.7043p
Group 2	0.2037p	2.0862p	2.2899p	1.7043p
S Accumulation shares				
Group 1	33.1203p	-	33.1203p	24.8020p
Group 2	-	33.1203p	33.1203p	24.8020p
S Income shares				
Group 1	2.3553p	-	2.3553p	1.8095p
Group 2	2.3553p	-	2.3553p	1.8095p
Z Accumulation shares				
Group 1	30.5677p	-	30.5677p	21.8675p
Group 2	7.2627p	23.3050p	30.5677p	21.8675p
Z Income shares				
Group 1	23.8906p	-	23.8906p	17.8091p
Group 2	2.7015p	21.1891p	23.8906p	17.8091p

Final distribution for the year ended 31 December 2022

Group 1 Shares purchased on 22 June 2022

Group 2 Shares purchased after 22 June 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share
Q1 Accumulation shares			
Group 1	0.2273p	-	0.2273p
Group 2	0.2273p	-	0.2273p
Q1 Income shares			
Group 1	0.2273p	-	0.2273p
Group 2	0.2273p	-	0.2273p

Distribution Table

(continued)

Equalisation

Equalisation applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Schroder Sustainable UK Equity Fund

Fund Information

Investment objective and policy

Schroder Sustainable UK Equity Fund (the 'Fund') aims to provide capital growth and income in excess of the FTSE All Share (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of UK companies which meet the Investment Manager's sustainability criteria.

The Fund is actively managed and invests at least 80% of its assets in a concentrated range of equity and equity related securities of UK companies which meet the Investment Manager's sustainability criteria (please see the Fund Characteristics section of the prospectus for more details). These are companies that are incorporated, headquartered or have their principal business activities in the UK.

The Fund maintains a higher overall sustainability score than the FTSE All Share (Gross Total Return) index, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section of the prospectus.

The Fund does not invest in certain activities, industries or groups of issuers above certain limits listed under "Exclusion thresholds" in the Fund Characteristics section of the prospectus.

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section of the Prospectus for more details).

The Fund may invest in companies that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to two years.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <https://www.schroders.com/en/uk/private-investor/strategic-capabilities/sustainability/>.

The Fund typically holds 30 to 60 companies.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to Appendix III. Section 10: Derivatives and Forwards of the Prospectus).

Fund characteristics

The Fund's performance should be assessed against the target benchmark, being to exceed the FTSE All Share (Gross Total Return) index, and compared against the Investment Association UK All Companies sector average return. The Investment Adviser invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Adviser and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Review of Investment Activities

From 31 December 2021 to 30 December 2022, the price of Z Accumulation shares on a dealing price basis fell 2.20%. In the same period, the FTSE¹ All Share Index generated a total return of 0.34%².

UK equities have been resilient, performing better than other world markets in 2022 as recessionary fears loomed large for advanced economies. Companies in commodity areas of the market, such as mining and oils, performed most strongly and we are unable to hold these companies as a result of our sustainable investment criteria. This was the major contributor to the portfolio's underperformance in 2022 versus its benchmark. However, when risk appetite returned to markets in the fourth quarter amid hopes that power prices would moderate and lead to lower inflation, relative portfolio performance improved. Stocks that are perceived as growth stocks, which include more of the companies that have sustainable characteristics, did better than many defensive businesses in healthcare, consumer staples and utilities.

In terms of individual stocks, the largest stock disappointments that we hold were sustainable building materials firm Kingspan Group, retailer Pets at Home Group and MusicMagpie. The latter is a facilitator of the circular economy through buying and selling second hand electronics. We retain our conviction in these positions and have added on share price weakness. Positive performance contributions came from companies which have seen resilient trading despite the difficult economic environment. Asian-focused bank Standard Chartered traded strongly benefitting from rising US interest rates and we have trimmed our holding following this outperformance. Education publisher Pearson, power firm Drax Group and infrastructure firm Balfour Beatty were other positives.

The deteriorating global economic environment poses significant challenges; however, inflation will eventually ease, and the economy will return to growth in time. Despite these short-term challenges we remain focused on companies' long-term fundamental prospects and their sustainable attributes. In addition, though the UK market held up well in 2022, UK corporates remain lowly valued compared to history and to global peers. Our sales included our holding in chemical group Croda International and technology business TOMRA Systems. With the prospect of interest rate rises that would be beneficial for financials we increased our exposure to banks, adding HSBC Holdings and Lloyds Banking Group. Other new positions included budget hotel operator Whitbread and precision instrumentation supplier Spectris. Our flexible investment approach allows us to blend holdings with different characteristics. We are able to create a portfolio of companies whose products or services have positive societal benefits or whose actions and policies demonstrate clear commitment to sustainability. In this way we believe we can perform in a range of macro-economic and market environments.

**Fund Manager:
Matt Bennison**



UK Equity fund manager with 10 years investment experience at Schroders

CFA charterholder

Degree in Natural Sciences, Cambridge University and one year Management Studies, Judge Business School, Cambridge

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² Source: Refinitiv Eikon Datastream.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Risk Profile

Risk and reward indicator



The risk category was calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Comparative Table

Financial year to 31 December	A Accumulation shares			A Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	326.60	285.20	312.44	167.13	150.15	169.70
Return before operating charges*	(5.44)	45.89	(23.51)	(2.84)	24.11	(13.17)
Operating charges	(4.47)	(4.49)	(3.73)	(2.27)	(2.35)	(2.01)
Return after operating charges*	(9.91)	41.40	(27.24)	(5.11)	21.76	(15.18)
Distributions**	(9.40)	(9.15)	(8.12)	(4.77)	(4.78)	(4.37)
Retained distributions**	9.40	9.15	8.12	-	-	-
Closing net asset value	316.69	326.60	285.20	157.25	167.13	150.15
*after direct transaction costs of	(0.25)	(0.91)	(0.26)	(0.13)	(0.48)	(0.14)
Performance						
Return after charges (%)	(3.03)	14.52	(8.72)	(3.06)	14.49	(8.95)
Other information						
Closing net asset value (£000's)	9,975	14,654	14,536	1,153	1,284	1,474
Closing number of shares	3,149,658	4,486,886	5,096,805	733,467	768,048	981,813
Operating charges (%)	1.43	1.43	1.44	1.43	1.43	1.44
Direct transaction costs (%)***	0.08	0.29	0.10	0.08	0.29	0.10
Prices						
Highest dealing price	332.20p	335.40p	317.06p	168.80p	173.80p	172.24p
Lowest dealing price	282.30p	285.20p	192.41p	142.10p	150.20p	104.53p

Comparative Table (continued)

Financial year to 31 December	C Accumulation shares			C Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	353.21	306.50	334.00	181.07	161.63	181.71
Return before operating charges*	(5.83)	49.42	(24.94)	(3.06)	26.02	(14.00)
Operating charges	(2.72)	(2.71)	(2.56)	(1.38)	(1.42)	(1.39)
Return after operating charges*	(8.55)	46.71	(27.50)	(4.44)	24.60	(15.39)
Distributions**	(10.20)	(9.86)	(8.70)	(5.19)	(5.16)	(4.69)
Retained distributions**	10.20	9.86	8.70	-	-	-
Closing net asset value	344.66	353.21	306.50	171.44	181.07	161.63
*after direct transaction costs of	(0.27)	(0.98)	(0.28)	(0.14)	(0.51)	(0.15)
Performance						
Return after charges (%)	(2.42)	15.24	(8.23)	(2.45)	15.22	(8.47)
Other information						
Closing net asset value (£000's)	2,718	1,755	1,820	1,004	1,142	1,166
Closing number of shares	788,512	496,787	593,872	585,849	631,031	721,288
Operating charges (%)	0.80	0.80	0.82	0.80	0.80	0.82
Direct transaction costs (%)***	0.08	0.29	0.10	0.08	0.29	0.10
Prices						
Highest dealing price	360.70p	362.00p	338.98p	182.90p	187.90p	184.45p
Lowest dealing price	306.80p	306.70p	205.81p	154.80p	161.80p	111.99p

Comparative Table (continued)

Financial year to 31 December	S Income shares			Z Accumulation shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	49.35	43.94	49.22	372.34	323.13	351.78
Return before operating charges*	(0.84)	7.08	(3.78)	(6.16)	52.10	(26.26)
Operating charges	(0.26)	(0.27)	(0.23)	(2.89)	(2.89)	(2.39)
Return after operating charges*	(1.10)	6.81	(4.01)	(9.05)	49.21	(28.65)
Distributions**	(1.41)	(1.40)	(1.27)	(10.75)	(10.39)	(9.17)
Retained distributions**	-	-	-	10.75	10.39	9.17
Closing net asset value	46.84	49.35	43.94	363.29	372.34	323.13
*after direct transaction costs of	(0.04)	(0.14)	(0.04)	(0.29)	(1.04)	(0.29)
Performance						
Return after charges (%)	(2.23)	15.50	(8.15)	(2.43)	15.23	(8.14)
Other information						
Closing net asset value (£000's)	2,081	2,797	2,934	24,579	19,953	18,738
Closing number of shares	4,443,385	5,669,550	6,678,097	6,765,643	5,358,765	5,798,933
Operating charges (%)	0.56	0.56	0.57	0.80	0.81	0.82
Direct transaction costs (%)***	0.08	0.29	0.10	0.08	0.29	0.10
Prices						
Highest dealing price	49.84p	51.15p	49.98p	380.20p	381.60p	357.08p
Lowest dealing price	42.26p	43.99p	30.38p	323.40p	323.30p	216.95p

Comparative Table (continued)

Financial year to 31 December	Z Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value			
Opening net asset value	190.67	170.22	191.18
Return before operating charges*	(3.23)	27.40	(14.73)
Operating charges	(1.47)	(1.51)	(1.29)
Return after operating charges*	(4.70)	25.89	(16.02)
Distributions**	(5.46)	(5.44)	(4.94)
Closing net asset value	180.51	190.67	170.22
*after direct transaction costs of	(0.15)	(0.54)	(0.16)
Performance			
Return after charges (%)	(2.46)	15.21	(8.38)
Other information			
Closing net asset value (£000's)	6,470	7,245	6,322
Closing number of shares	3,583,924	3,799,715	3,714,135
Operating charges (%)	0.80	0.81	0.82
Direct transaction costs (%)***	0.08	0.29	0.10
Prices			
Highest dealing price	192.60p	197.80p	194.10p
Lowest dealing price	162.90p	170.40p	117.93p

** These figures have been rounded to 2 decimal places.

*** Direct transaction costs have been stated after deducting the proportion of the amounts collected from dilution adjustments.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Statement

	Holding at 31.12.22	Market Value £000's	% of net assets
Equities 88.63% (93.07%)			
Basic Materials 4.43% (5.51%)			
Johnson Matthey	59,317	1,262	2.63
Victrex	54,273	866	1.80
	2,128	4.43	
Consumer Discretionary 14.78% (14.85%)			
Burberry Group	53,435	1,084	2.26
Cazoo Group	36,986	5	0.01
Firstgroup	894,231	901	1.88
MusicMagpie [#]	682,795	150	0.31
Pearson	143,775	1,350	2.81
Pets at Home Group	281,598	798	1.66
RELX	40,113	918	1.91
TI Fluid Systems	206,410	276	0.58
Trainline	268,227	737	1.54
Whitbread	33,976	873	1.82
	7,092	14.78	
Consumer Staples 10.43% (10.91%)			
Britvic	107,643	837	1.75
Cranswick	29,990	923	1.92
PZ Cussons	296,600	621	1.29
Unilever	62,705	2,622	5.47
	5,003	10.43	
Energy 4.94% (4.32%)			
Ceres Power Holdings [#]	66,163	232	0.48
First Solar	4,897	610	1.27
Pod Point Group Holdings	304,716	186	0.39
Tekmar Group [#]	772,669	85	0.18
Vestas Wind Systems	51,937	1,259	2.62
	2,372	4.94	
Financials 12.49% (12.70%)			
HSBC Holdings	189,875	979	2.04
IP Group	652,909	364	0.76
Just Group	504,286	411	0.86
Legal & General Group	485,222	1,211	2.52
Lloyds Banking Group	1,284,463	583	1.21
Prudential	121,228	1,367	2.85
Standard Chartered	173,270	1,078	2.25
	5,993	12.49	
Health Care 13.21% (14.85%)			
AstraZeneca	24,231	2,718	5.67
ConvaTec Group	373,933	870	1.81
GSK	123,246	1,772	3.69
Haleon	154,058	504	1.05
Spire Healthcare Group	206,885	472	0.99
	6,336	13.21	
Industrials 12.85% (12.85%)			
Balfour Beatty	331,569	1,120	2.33
Capita	1,863,944	452	0.94

	Holding at 31.12.22	Market Value £000's	% of net assets
Coats Group	453,168	300	0.63
Dialight	82,581	248	0.52
Genuit Group	97,829	275	0.57
Invinity Energy Systems [#]	369,624	155	0.32
Invinity Energy Systems Warrant 15/09/2023 [^]	80,867	0	0.00
Invinity Energy Systems Warrant 16/12/2024 [^]	80,867	0	0.00
IWG	140,860	233	0.49
Kingspan Group	15,206	681	1.42
Network International Holdings	147,380	439	0.91
Pagegroup	83,178	384	0.80
Ricardo	76,911	368	0.77
SIG	820,639	243	0.51
Spectris	18,092	543	1.13
Volusion Group	198,546	725	1.51
	6,166	12.85	
Real Estate 2.45% (2.35%)			
Assura	1,062,228	579	1.21
Grainger	236,082	595	1.24
	1,174	2.45	
Telecommunications 1.71% (2.55%)			
BT Group	732,870	821	1.71
	821	1.71	
Utilities 11.34% (12.18%)			
Biffa	209,244	852	1.78
Drax Group	217,230	1,523	3.18
National Grid	134,322	1,340	2.79
SSE	92,878	1,589	3.31
United Utilities Group	13,689	136	0.28
	5,440	11.34	
Equities total		42,525	88.63
Collective Investment Schemes 7.72% (5.87%)			
Infrastructure and Renewable Energy Funds 6.31% (4.35%)			
Greencoat UK Wind [§]	513,222	780	1.62
John Laing Environmental Assets Group [§]	666,332	796	1.66
NextEnergy Solar Fund [§]	734,677	815	1.70
The Renewables Infrastructure Group [§]	490,181	637	1.33
	3,028	6.31	
Multi Asset Funds 1.41% (1.52%)			
Syncona [§]	375,997	677	1.41
	677	1.41	
Collective Investment Schemes total		3,705	7.72
Portfolio of investments		46,230	96.35
Net other assets		1,750	3.65
Net assets attributable to shareholders		47,980	100.00

The comparative percentage figures in brackets are as at 31 December 2021.

Unless otherwise stated, all securities are admitted to official stock exchange listings or are permitted collective investment schemes.

Security traded on another regulated market.

^ Unlisted, suspended or delisted security.

§ Closed ended Fund.

Statement of Total Return

For the year ended 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Income					
Net capital (losses)/gains	2		(2,145)		5,891
Revenue	3	1,372		1,439	
Expenses	4	(438)		(493)	
Net revenue before taxation		934		946	
Taxation	5	(2)		-	
Net revenue after taxation			932		946
Total return before distributions			(1,213)		6,837
Distributions	6		(1,370)		(1,439)
Change in net assets attributable to shareholders from investment activities			(2,583)		5,398

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	2022		2021	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		48,830		46,990
Amounts receivable on issue of shares	6,323		1,730	
Amounts payable on cancellation of shares	(5,663)		(6,333)	
		660		(4,603)
Dilution adjustment		21		-
Change in net assets attributable to shareholders from investment activities		(2,583)		5,398
Retained distribution on Accumulation shares		1,052		1,045
Closing net assets attributable to shareholders		47,980		48,830

Balance Sheet

As at 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Assets					
Investments			46,230		48,311
Current assets					
Debtors	8		153		187
Cash and bank balances			1,821		598
Total assets			48,204		49,096
Liabilities					
Creditors					
Bank overdrafts			-		(11)
Distributions payable			(152)		(152)
Other creditors	9		(72)		(103)
Total liabilities			(224)		(266)
Net assets attributable to shareholders			47,980		48,830

Notes to the Accounts

For the year ended 31 December 2022

1 Accounting policies

Basis of preparation

The applicable accounting policies adopted by Schroder Sustainable UK Equity Fund are disclosed on pages 9 to 10.

2 Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	2022	2021
	£000's	£000's
Non-derivative securities	(2,145)	5,893
Foreign currency losses	-	(2)
Net capital (losses)/gains	(2,145)	5,891

3 Revenue

	2022	2021
	£000's	£000's
UK dividends	1,139	1,259
Overseas dividends	141	58
Real estate income distributions	24	35
Scrip dividends	64	87
Bank interest	4	-
Total revenue	1,372	1,439

4 Expenses

	2022	2021
	£000's	£000's
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director fee	-	63
Administration charge	-	12
Schroders Annual Charge ^{1,2}	438	416
	438	491
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	-	1
Other expenses:		
Audit fee ²	-	1
Total expenses	438	493

1 Fees such as the Authorised Corporate Director fee, Administration fee, Depositary fee and Audit fee were paid separately to 28 February 2021. From 1 March 2021 these fees were replaced with the Schroders Annual Charge.

2 Audit fees including VAT for the financial year ending 2022 were £8,582 (2021 - £8,582).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

5 Taxation

Corporation tax has not been provided for as expenses payable by the Fund exceed the revenue liable to corporation tax.

(a) Analysis of the tax charge for the year

	2022	2021
	£000's	£000's
Overseas withholding tax	2	-
Total current tax (Note 5(b))	2	-

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for Open Ended Investment Companies of 20% (2021 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2022	2021
	£000's	£000's
Net revenue before taxation	934	946
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	187	189
Effects of:		
Revenue not subject to corporation tax	(269)	(281)
Movement in excess management expenses	82	92
Overseas withholding tax	2	-
Current tax charge for the year (Note 5(a))	2	-

(c) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £12,925,048 (2021 – £12,843,150) in respect of unutilised management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year.

6 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2022	2021
	£000's	£000's
Interim Dividend distribution	716	810
Final Dividend distribution	672	593
	1,388	1,403
Add: Revenue deducted on cancellation of shares	42	46
Deduct: Revenue received on issue of shares	(60)	(10)
Distributions	1,370	1,439
Net revenue after taxation	932	946
Expenses taken to capital	438	493
Distributions	1,370	1,439

Details of the distributions per share are set out in the Distribution Tables on pages 100 to 101.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

7 Fair value hierarchy

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Basis of valuation	2022		2021	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	46,230	-	48,311	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	46,230	-	48,311	-

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Authorised Corporate Director has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Authorised Corporate Director of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Authorised Corporate Director with particular attention paid to the carrying value of the investments.

8 Debtors

	2022 £000's	2021 £000's
Amounts receivable for issue of shares	5	26
Accrued revenue	141	152
Overseas withholding tax recoverable	1	1
Income tax recoverable	6	8
Total debtors	153	187

9 Other creditors

	2022 £000's	2021 £000's
Amounts payable for cancellation of shares	35	52
Purchases awaiting settlement	-	10
Accrued expenses	37	41
Total other creditors	72	103

10 Contingent liabilities

The aggregate contingent liabilities not provided for at the balance sheet date are:

	2022 £000's	2021 £000's
Warrants	303	109
Total contingent liabilities	303	109

Warrants are held by the Fund which give the option to acquire Invinity Energy Systems ordinary shares at 15.9.23 and Invinity Energy Systems ordinary shares at 16.12.24.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

11 Related party transactions

The Authorised Corporate Director provides key management personnel services for the Fund and is therefore considered a related party.

Amounts paid during the year or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies received through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 4.41% (2021 – 6.13%).

12 Share classes

At the reporting date the Fund had seven share classes. The costs and expenses due to the Manager are referred to as the Schroders Annual Charge. Details of the charges applied to each share class can be found in the prospectus.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on pages 88 to 91.

The distributions per share class are given in the Distribution Tables on pages 100 to 101.

All classes have the same rights on winding up.

13 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity and interest rate risks. The Authorised Corporate Director's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £4,623,000 (2021 - £4,831,100).

Foreign currency risk

Where a portion of the net assets of the Fund are denominated in currencies other than sterling the balance sheet and total return can be affected by currency movements. Therefore the Authorised Corporate Director may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the Fund's exposure to currency risk is reduced.

Revenue received in other currencies is translated to sterling on or near the date of receipt. The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Currency risk profile

The currency risk profile of the Fund's net assets and liabilities at the balance sheet date was as follows:

Currency	2022 £000's	2021 £000's
Danish krone	1,260	1,067
Euro	682	735
Norwegian krone	-	535
Sterling	45,424	46,014
US dollar	614	479

At the year end date, if the value of Sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £255,600 (2021 - £281,600).

Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the Collective Investment Schemes sourcebook.

Interest rate risk

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

Interest receivable on bank deposits will be affected by fluctuations in interest rates.

At the year end date 3.80% (2021 – 1.20%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average Rate.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

Global risk exposure

Commitment approach

When using derivatives, the Authorised Corporate Director uses a risk management process that enables it to monitor the risk of a Fund's derivative positions. The global risk exposure of a Fund is calculated daily either by means of the commitment approach or the Value-at-Risk (VaR) approach.

Under the commitment approach, the global risk exposure is defined as the underlying market value of derivatives, after netting and hedging as permitted by the regulation, not exceeding the Net Asset Value of a Fund. This is typically used on Funds where derivative usage is low or Funds which limit their derivatives commitment to 100% or less of their Net Asset Value.

The global risk exposure of the Fund is calculated using the commitment approach. During the year ended 31 December 2022 the global risk exposure of the Fund did not exceed 100% of its Net Asset Value. The lowest, highest, average and actual level of leverage for the Fund as at the balance sheet date was as follows:

Leverage

	2022				2021			
	Lowest	Highest	Average	Leverage 31 December	Lowest	Highest	Average	Leverage 31 December
	0.00%	0.52%	0.01%	0.00%	0.00%	6.53%	0.03%	0.00%

14 Direct transaction costs

In the case of shares, broker commissions and transfer taxes/stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	9,430	4	44	9,478	0.04	0.47
Sales						
Equities	9,298	(3)	-	9,295	(0.03)	-
Total cost of the Fund's average net asset value (%)		0.02	0.09			

2021	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Purchases ¹ :						
Equities	29,695	11	124	29,830	0.04	0.42
Corporate actions purchases:						
Equities	150	-	-	150	-	-
	29,845	11	124	29,980		
Sales						
Equities	34,121	(9)	-	34,112	(0.03)	-
Total cost of the Fund's average net asset value (%)		0.04	0.25			

1 Excluding corporate actions.

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.30% (2021 – 0.33%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

15 Shares in issue reconciliation

	Number of shares in issue 31.12.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 31.12.22
A Accumulation shares	4,486,886	47,251	(383,103)	(1,001,376)	3,149,658
A Income shares	768,048	17,989	(43,701)	(8,869)	733,467
C Accumulation shares	496,787	330,553	(25,865)	(12,963)	788,512
C Income shares	631,031	23,633	(75,909)	7,094	585,849
S Income shares	5,669,550	-	(1,226,165)	-	4,443,385
Z Accumulation shares	5,358,765	1,325,903	(808,648)	889,623	6,765,643
Z Income shares	3,799,715	205,887	(422,712)	1,034	3,583,924

16 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 December 2022, the price of each share class has changed as follows:

	Dealing price 21.4.23	Dealing price 30.12.22	% change
A Accumulation shares	337.10p	317.60p	6.14
A Income shares	167.40p	159.90p	4.69
C Accumulation shares	367.60p	345.70p	6.33
C Income shares	182.90p	174.40p	4.87
S Income shares	50.00p	47.64p	4.95
Z Accumulation shares	387.40p	364.40p	6.31
Z Income shares	192.50p	183.60p	4.85

Distribution Tables

Interim distribution for the six months ended 30 June 2022

Group 1 Shares purchased prior to 1 January 2022

Group 2 Shares purchased on or after 1 January 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.8.22 per share	Distribution paid 31.8.21 per share
A Accumulation shares				
Group 1	4.9715p	-	4.9715p	5.1882p
Group 2	3.7219p	1.2496p	4.9715p	5.1882p
A Income shares				
Group 1	2.5444p	-	2.5444p	2.7322p
Group 2	1.9971p	0.5473p	2.5444p	2.7322p
C Accumulation shares				
Group 1	5.3862p	-	5.3862p	5.5851p
Group 2	4.3664p	1.0198p	5.3862p	5.5851p
C Income shares				
Group 1	2.7614p	-	2.7614p	2.9462p
Group 2	2.6278p	0.1336p	2.7614p	2.9462p
S Income shares				
Group 1	0.7497p	-	0.7497p	0.8014p
Group 2	0.7497p	-	0.7497p	0.8014p
Z Accumulation shares				
Group 1	5.6776p	-	5.6776p	5.8880p
Group 2	2.0282p	3.6494p	5.6776p	5.8880p
Z Income shares				
Group 1	2.9078p	-	2.9078p	3.1027p
Group 2	1.6485p	1.2593p	2.9078p	3.1027p

Final distribution for the six months ended 31 December 2022

Group 1 Shares purchased prior to 1 July 2022

Group 2 Shares purchased on or after 1 July 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
A Accumulation shares				
Group 1	4.4293p	-	4.4293p	3.9573p
Group 2	2.8964p	1.5329p	4.4293p	3.9573p
A Income shares				
Group 1	2.2305p	-	2.2305p	2.0516p
Group 2	1.7713p	0.4592p	2.2305p	2.0516p
C Accumulation shares				
Group 1	4.8123p	-	4.8123p	4.2724p
Group 2	1.0534p	3.7589p	4.8123p	4.2724p
C Income shares				
Group 1	2.4275p	-	2.4275p	2.2187p
Group 2	2.4275p	-	2.4275p	2.2187p

Distribution Tables

(continued)

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
S Income shares				
Group 1	0.6603p	-	0.6603p	0.5972p
Group 2	0.6603p	-	0.6603p	0.5972p
Z Accumulation shares				
Group 1	5.0725p	-	5.0725p	4.5039p
Group 2	1.7937p	3.2788p	5.0725p	4.5039p
Z Income shares				
Group 1	2.5561p	-	2.5561p	2.3364p
Group 2	1.2336p	1.3225p	2.5561p	2.3364p

Equalisation

Equalisation applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Schroder UK Alpha Income Fund

Fund Information

Investment objective and policy

Schroder UK Alpha Income Fund (the 'Fund') aims to provide income and capital growth in excess of the FTSE All Share (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of UK companies.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK.

'Alpha' funds invest in companies in which the Investment Manager has a high conviction that the current share price does not reflect the future prospects for that business.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to Appendix III. Section 10: Derivatives and Forwards of the Prospectus).

Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the FTSE All Share (Gross Total Return) index, and compared against the Investment Association UK Equity Income sector average return. The Investment Adviser invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Adviser and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Review of Investment Activities

From 31 December 2021 to 30 December 2022, the price of Z Accumulation shares on a dealing price basis rose 1.53%. In the same period, the FTSE¹ All Share Index generated a total return of 0.34%².

UK equities have been resilient, performing better than other world markets in 2022 as recessionary fears loomed large for advanced economies. Equity markets have seen some sharp rotations as companies that are perceived as growth stocks – which we have less exposure to – underperformed. Companies in commodity areas of the market, such as mining and oils, performed strongly, as did defensive areas including healthcare, consumer staples and utilities. Defensive businesses, however, struggled in the fourth quarter as risk appetite returned, which benefited cyclical businesses. Against this backdrop, the portfolio outperformed its benchmark.

Major positive performance contributions came from companies which have seen resilient trading despite the difficult economic environment. Within industrials, we saw a bounce-back from our holdings in defence firm QinetiQ Group and infrastructure firm Balfour Beatty. Education publisher Pearson's improving share price rewarded our decision to add more to our holding earlier in the year. Asian-focused bank Standard Chartered traded strongly benefitting from rising US interest rates. Miner Anglo American was a large positive for performance, though this was offset by not having exposure to Glencore. However, late in 2022 we initiated a position in Glencore as we believe its mix of forward-facing minerals could benefit as the world moves to decarbonise energy and industry. The biggest drag on performance was owning less than the benchmark in the energy sector amid rising oil and gas prices.

The deteriorating global economic environment poses significant challenges; however, inflation will eventually ease, and the economy will return to growth in time. Despite these short-term challenges we remain focussed on companies' long-term fundamental prospects, particularly given the low valuations of UK corporates compared to history and to global peers. Sales included our holding in miner BHP Group, storage firm Big Yellow Group and building material supplier Travis Perkins. With the prospect of interest rate rises that would be beneficial for financials we increased our exposure to banks, adding HSBC Holdings and Natwest Group. Other new positions included chemical firm Johnson Matthey and media group ITV. Our flexible investment approach allows us to blend holdings with different characteristics into a portfolio we believe can perform in a range of macro-economic and market environments.

The portfolio aims to achieve a dividend yield premium to the FTSE All-Share index and the yield level as well as valuations in the UK market remains attractive – particularly versus other asset classes and geographies. With an increased risk of recession the outlook for dividends is less clear. Mid-sized companies' dividends are improving the fastest from pandemic lows and oil, mining and banking sectors are driving overall market payments. Given many companies rebased their dividends to lower levels this means that they are better covered by earnings, so in theory more sustainable. This also offers scope for reinvestment opportunities and future growth.

Co-Fund Manager:
Matt Bennison



UK Equity fund manager with 10 years investment experience at Schroders

CFA charterholder

Degree in Natural Sciences, Cambridge University and one year Management Studies, Judge Business School, Cambridge

Co-Fund Manager:
Sue Noffke



UK Equity fund manager with 32 years investment experience at Schroders

Associate with the Institute of Investment Management Research (IIMR)

Degree in Business Administration and Biochemistry, Aston University

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² Source: Refinitiv Eikon Datastream.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Risk Profile

Risk and reward indicator



The risk category was calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Comparative Table

Financial year to 31 December	A Accumulation shares			A Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	215.38	188.45	206.46	147.45	134.40	153.06
Return before operating charges*	4.37	30.22	(15.15)	2.93	21.49	(11.65)
Operating charges	(3.08)	(3.29)	(2.86)	(2.09)	(2.33)	(2.11)
Return after operating charges*	1.29	26.93	(18.01)	0.84	19.16	(13.76)
Distributions**	(9.19)	(8.65)	(6.68)	(6.23)	(6.11)	(4.90)
Retained distributions**	9.19	8.65	6.68	-	-	-
Closing net asset value	216.67	215.38	188.45	142.06	147.45	134.40
*after direct transaction costs of	(0.21)	(0.39)	(0.34)	(0.15)	(0.28)	(0.25)
Performance						
Return after charges (%)	0.60	14.29	(8.72)	0.57	14.26	(8.99)
Other information						
Closing net asset value (£000's)	1,603	1,808	1,840	2,735	3,569	3,895
Closing number of shares	739,705	839,419	976,582	1,924,936	2,420,551	2,898,169
Operating charges (%)	1.44	1.44	1.68	1.44	1.44	1.68
Direct transaction costs (%)***	0.10	0.19	0.20	0.10	0.19	0.20
Prices						
Highest dealing price	229.10p	221.00p	209.30p	156.90p	154.70p	155.20p
Lowest dealing price	194.00p	186.20p	129.63p	129.70p	132.80p	96.12p

Comparative Table (continued)

Financial year to 31 December	C Accumulation shares			C Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	240.29	208.73	227.11	161.15	145.81	164.90
Return before operating charges*	4.92	33.55	(16.50)	3.22	23.37	(12.45)
Operating charges	(1.80)	(1.99)	(1.88)	(1.19)	(1.38)	(1.35)
Return after operating charges*	3.12	31.56	(18.38)	2.03	21.99	(13.80)
Distributions**	(10.29)	(9.62)	(7.36)	(6.83)	(6.65)	(5.29)
Retained distributions**	10.29	9.62	7.36	-	-	-
Closing net asset value	243.41	240.29	208.73	156.35	161.15	145.81
*after direct transaction costs of	(0.24)	(0.44)	(0.38)	(0.16)	(0.30)	(0.27)
Performance						
Return after charges (%)	1.30	15.12	(8.09)	1.26	15.08	(8.37)
Other information						
Closing net asset value (£000's)	6,581	6,853	6,268	7,277	8,002	7,965
Closing number of shares	2,703,431	2,851,319	3,003,035	4,653,951	4,965,701	5,462,219
Operating charges (%)	0.75	0.75	0.93	0.75	0.75	0.93
Direct transaction costs (%)***	0.10	0.19	0.20	0.10	0.19	0.20
Prices						
Highest dealing price	256.10p	245.90p	230.28p	171.80p	168.60p	167.25p
Lowest dealing price	217.70p	206.30p	142.75p	142.50p	144.20p	103.67p

Comparative Table (continued)

Financial year to 31 December	L Accumulation shares			L Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	75.62	65.63	71.31	52.36	47.34	53.46
Return before operating charges*	1.54	10.56	(5.17)	1.05	7.59	(4.02)
Operating charges	(0.49)	(0.57)	(0.51)	(0.34)	(0.41)	(0.38)
Return after operating charges*	1.05	9.99	(5.68)	0.71	7.18	(4.40)
Distributions**	(3.24)	(3.02)	(2.31)	(2.22)	(2.16)	(1.72)
Retained distributions**	3.24	3.02	2.31	-	-	-
Closing net asset value	76.67	75.62	65.63	50.85	52.36	47.34
*after direct transaction costs of	(0.08)	(0.14)	(0.12)	(0.05)	(0.10)	(0.09)
Performance						
Return after charges (%)	1.39	15.22	(7.97)	1.36	15.17	(8.23)
Other information						
Closing net asset value (£000's)	9,736	9,220	9,562	5,331	6,286	6,421
Closing number of shares	12,698,329	12,193,329	14,570,247	10,483,689	12,004,331	13,563,398
Operating charges (%)	0.65	0.65	0.85	0.65	0.65	0.85
Direct transaction costs (%)***	0.10	0.19	0.20	0.10	0.19	0.20
Prices						
Highest dealing price	80.62p	77.37p	72.32p	55.84p	54.77p	54.23p
Lowest dealing price	68.55p	64.87p	44.86p	46.33p	46.81p	33.64p

Comparative Table (continued)

Financial year to 31 December	S Accumulation shares			S Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	245.22	212.35	230.04	51.02	46.02	51.81
Return before operating charges*	5.03	34.15	(16.55)	1.02	7.38	(3.87)
Operating charges	(1.35)	(1.28)	(1.14)	(0.28)	(0.28)	(0.25)
Return after operating charges*	3.68	32.87	(17.69)	0.74	7.10	(4.12)
Distributions**	(10.51)	(9.80)	(7.48)	(2.16)	(2.10)	(1.67)
Retained distributions**	10.51	9.80	7.48	-	-	-
Closing net asset value	248.90	245.22	212.35	49.60	51.02	46.02
*after direct transaction costs of	(0.25)	(0.44)	(0.41)	(0.05)	(0.10)	(0.09)
Performance						
Return after charges (%)	1.50	15.48	(7.69)	1.45	15.43	(7.95)
Other information						
Closing net asset value (£000's)	66	63	111	2,321	2,862	3,022
Closing number of shares	26,441	25,798	52,200	4,680,260	5,609,622	6,567,369
Operating charges (%)	0.55	0.55	0.55	0.55	0.55	0.55
Direct transaction costs (%)***	0.10	0.19	0.20	0.10	0.19	0.20
Prices						
Highest dealing price	261.50p	250.80p	233.33p	54.43p	53.34p	52.56p
Lowest dealing price	222.50p	209.90p	144.79p	45.18p	45.52p	32.62p

Comparative Table (continued)

Financial year to 31 December	Z Accumulation shares			Z Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	254.68	221.23	240.56	167.70	151.74	171.49
Return before operating charges*	5.22	35.56	(17.48)	3.34	24.32	(12.93)
Operating charges	(1.91)	(2.11)	(1.85)	(1.24)	(1.44)	(1.31)
Return after operating charges*	3.31	33.45	(19.33)	2.10	22.88	(14.24)
Distributions**	(10.90)	(10.19)	(7.81)	(7.10)	(6.92)	(5.51)
Retained distributions**	10.90	10.19	7.81	-	-	-
Closing net asset value	257.99	254.68	221.23	162.70	167.70	151.74
*after direct transaction costs of	(0.25)	(0.46)	(0.40)	(0.17)	(0.31)	(0.28)
Performance						
Return after charges (%)	1.30	15.12	(8.04)	1.25	15.08	(8.30)
Other information						
Closing net asset value (£000's)	20,815	21,880	24,695	25,034	28,897	34,731
Closing number of shares	8,068,290	8,591,246	11,162,397	15,386,551	17,231,377	22,888,867
Operating charges (%)	0.75	0.75	0.93	0.75	0.75	0.93
Direct transaction costs (%)***	0.10	0.19	0.20	0.10	0.19	0.20
Prices						
Highest dealing price	271.50p	260.70p	243.95p	178.80p	175.50p	173.95p
Lowest dealing price	230.70p	218.70p	151.29p	148.30p	150.00p	107.87p

** These figures have been rounded to 2 decimal places.

*** Direct transaction costs have been stated after deducting the proportion of the amounts collected from dilution adjustments.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Statement

	Holding at 31.12.22	Market Value £000's	% of net assets
Equities 99.96% (100.59%)			
Basic Materials 11.06% (11.07%)			
Anglo American	120,269	3,889	4.77
Glencore	234,608	1,296	1.59
Johnson Matthey	70,250	1,494	1.83
Rio Tinto	25,579	1,483	1.82
Victrex	53,401	852	1.05
		9,014	11.06
Consumer Discretionary 18.20% (19.64%)			
888 Holdings	619,896	538	0.66
Burberry Group	104,655	2,123	2.61
Cazoo Group	43,809	6	0.01
Headlam Group	271,394	798	0.98
Hollywood Bowl Group	760,311	1,893	2.32
ITV	1,066,261	801	0.98
Pearson	241,720	2,270	2.79
Pets at Home Group	728,382	2,064	2.53
RELX	111,779	2,558	3.14
Taylor Wimpey	561,313	571	0.70
Whitbread	46,954	1,207	1.48
		14,829	18.20
Consumer Staples 5.99% (5.80%)			
Tesco	801,771	1,797	2.21
Unilever	73,740	3,084	3.78
		4,881	5.99
Energy 8.77% (4.22%)			
Shell	307,348	7,149	8.77
		7,149	8.77
Financials 22.70% (22.34%)			
3i Group	108,896	1,460	1.79
Direct Line Insurance Group	692,500	1,532	1.88
HSBC Holdings	564,277	2,909	3.57
Intermediate Capital Group	106,903	1,227	1.50
Legal & General Group	699,012	1,744	2.14
Lloyds Banking Group	5,126,879	2,328	2.86

	Holding at 31.12.22	Market Value £000's	% of net assets
M&G	331,522	623	0.76
NatWest Group	466,654	1,238	1.52
Polar Capital Holdings*	159,840	758	0.93
Prudential	195,043	2,199	2.70
Standard Chartered	285,511	1,777	2.18
TP ICAP Group	406,778	708	0.87
		18,503	22.70
Health Care 12.35% (12.16%)			
AstraZeneca	49,425	5,545	6.80
ConvaTec Group	583,330	1,357	1.66
GSK	220,325	3,167	3.89
		10,069	12.35
Industrials 9.23% (11.80%)			
Balfour Beatty	613,668	2,072	2.54
Bunzl	44,882	1,238	1.52
PayPoint	150,213	765	0.94
QinetiQ Group	534,991	1,908	2.34
Spectris	15,728	472	0.58
SThree	265,177	1,066	1.31
		7,521	9.23
Real Estate 2.40% (5.09%)			
Empiric Student Property	2,318,258	1,952	2.40
		1,952	2.40
Telecommunications 2.14% (2.73%)			
BT Group	1,556,951	1,744	2.14
		1,744	2.14
Utilities 7.12% (5.74%)			
Drax Group	324,460	2,274	2.79
National Grid	171,194	1,708	2.09
SSE	106,497	1,823	2.24
		5,805	7.12
Equities total		81,467	99.96
Portfolio of investments		81,467	99.96
Net other assets		32	0.04
Net assets attributable to shareholders		81,499	100.00

The comparative percentage figures in brackets are as at 31 December 2021.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

Security traded on another regulated market.

Statement of Total Return

For the year ended 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Income					
Net capital (losses)/gains	2		(2,449)		10,802
Revenue	3	3,748		4,131	
Expenses	4	(662)		(864)	
Net revenue before taxation		3,086		3,267	
Taxation	5	(3)		(3)	
Net revenue after taxation			3,083		3,264
Total return before distributions			634		14,066
Distributions	6		(3,731)		(4,096)
Change in net assets attributable to shareholders from investment activities			(3,097)		9,970

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	2022		2021	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		89,440		98,510
Amounts receivable on issue of shares	8,707		2,617	
Amounts payable on cancellation of shares	(15,302)		(23,321)	
		(6,595)		(20,704)
Dilution adjustment		23		4
Change in net assets attributable to shareholders from investment activities		(3,097)		9,970
Retained distribution on Accumulation shares		1,728		1,660
Closing net assets attributable to shareholders		81,499		89,440

Balance Sheet

As at 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Assets					
Investments			81,467		89,968
Current assets					
Debtors	8		310		380
Cash and bank balances			695		404
Total assets			82,472		90,752
Liabilities					
Creditors					
Distributions payable			(818)		(1,106)
Other creditors	9		(155)		(206)
Total liabilities			(973)		(1,312)
Net assets attributable to shareholders			81,499		89,440

Notes to the Accounts

For the year ended 31 December 2022

1 Accounting policies

Basis of preparation

The applicable accounting policies adopted by Schroder UK Alpha Income Fund are disclosed on pages 9 to 10.

2 Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	2022	2021
	£000's	£000's
Non-derivative securities	(2,448)	10,809
Foreign currency losses	(1)	(6)
Transaction costs	-	(1)
Net capital (losses)/gains	(2,449)	10,802

3 Revenue

	2022	2021
	£000's	£000's
UK dividends	3,585	3,859
Overseas dividends	45	64
Real estate income distributions	63	114
Scrip dividends	49	94
Bank interest	6	-
Total revenue	3,748	4,131

4 Expenses

	2022	2021
	£000's	£000's
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director fee	-	123
Administration charge	-	24
Schroders Annual Charge ^{1,2}	662	714
	662	861
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	-	2
Other expenses:		
Audit fee ²	-	1
Total expenses	662	864

- 1 Fees such as the Authorised Corporate Director fee, Administration fee, Depositary fee and Audit fee were paid separately to 28 February 2021. From 1 March 2021 these fees were replaced with the Schroders Annual Charge.
- 2 Audit fees including VAT for the financial year ending 2022 were £8,582 (2021 - £8,582).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

5 Taxation

Corporation tax has not been provided for as expenses payable by the Fund exceed the revenue liable to corporation tax.

(a) Analysis of the tax charge for the year

	2022	2021
	£000's	£000's
Overseas withholding tax	3	3
Total current tax (Note 5(b))	3	3

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for Open Ended Investment Companies of 20% (2021 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2022	2021
	£000's	£000's
Net revenue before taxation	3,086	3,267
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	617	653
Effects of:		
Revenue not subject to corporation tax	(736)	(794)
Movement in excess management expenses	119	141
Irrecoverable overseas withholding tax	3	3
Current tax charge for the year (Note 5(a))	3	3

(c) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £7,941,524 (2021 – £7,822,815) in respect of unutilised management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year.

6 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2022	2021
	£000's	£000's
Interim Dividend distribution	2,115	1,878
Final Dividend distribution	1,547	1,973
	3,662	3,851
Add: Revenue deducted on cancellation of shares	168	263
Deduct: Revenue received on issue of shares	(99)	(18)
Distributions	3,731	4,096
Net revenue after taxation	3,083	3,264
Expenses taken to capital	662	864
Tax on capital items	(14)	(32)
Distributions	3,731	4,096

Details of the distributions per share are set out in the Distribution Tables on pages 118 to 119.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

7 Fair value hierarchy

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Basis of valuation	2022		2021	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	81,467	-	89,968	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	81,467	-	89,968	-

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Authorised Corporate Director has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Authorised Corporate Director of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Authorised Corporate Director with particular attention paid to the carrying value of the investments.

8 Debtors

	2022	2021
	£000's	£000's
Amounts receivable for issue of shares	25	44
Accrued revenue	245	295
Overseas withholding tax recoverable	10	10
Income tax recoverable	30	31
Total debtors	310	380

9 Other creditors

	2022	2021
	£000's	£000's
Amounts payable for cancellation of shares	103	148
Accrued expenses	52	58
Total other creditors	155	206

10 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2021 – Nil).

11 Related party transactions

The Authorised Corporate Director provides key management personnel services for the Fund and is therefore considered a related party.

Amounts paid during the year or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies paid through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 4.52% (2021 – 4.89%).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

12 Share classes

At the reporting date the Fund had ten share classes. The costs and expenses due to the Manager are referred to as the Schroders Annual Charge. Details of the charges applied to each share class can be found in the prospectus.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on pages 105 to 109.

The distributions per share class are given in the Distribution Tables on pages 118 to 119.

All classes have the same rights on winding up.

13 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, liquidity and interest rate risks. The Authorised Corporate Director's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £8,146,700 (2021 - £8,996,800).

Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the Collective Investment Schemes sourcebook.

Interest rate risk

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

Interest receivable on bank deposits positions will be affected by fluctuations in interest rates.

At the year end date 0.85% (2021 - 0.45%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average Rate.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Global risk exposure

Commitment approach

When using derivatives, the Authorised Corporate Director uses a risk management process that enables it to monitor the risk of a Fund's derivative positions. The global risk exposure of a Fund is calculated daily either by means of the commitment approach or the Value-at-Risk (VaR) approach.

Under the commitment approach, the global risk exposure is defined as the underlying market value of derivatives, after netting and hedging as permitted by the regulation, not exceeding the Net Asset Value of a Fund. This is typically used on Funds where derivative usage is low or Funds which limit their derivatives commitment to 100% or less of their Net Asset Value.

The global risk exposure of the Fund is calculated using the commitment approach. During the year ended 31 December 2022 the global risk exposure of the Fund did not exceed 100% of its Net Asset Value. The lowest, highest, average and actual level of leverage for the Fund as at the balance sheet date was as follows:

Leverage

2022				2021			
Lowest	Highest	Average	Leverage 31 December	Lowest	Highest	Average	Leverage 31 December
0.00%	0.00%	0.00%	0.00%	0.00%	0.11%	0.00%	0.00%

Notes to the Accounts

For the year ended 31 December 2022 (continued)

14 Direct transaction costs

In the case of shares, broker commissions and transfer taxes/stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	20,502	8	88	20,598	0.04	0.43
Sales						
Equities	26,663	(11)	-	26,652	(0.04)	-
Total cost of the Fund's average net asset value (%)		0.02	0.10			

2021	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Purchases ¹ :						
Equities	30,702	13	153	30,868	0.04	0.50
Corporate actions purchases:						
Equities	231	-	-	231	-	-
	30,933	13	153	31,099		
Sales						
Equities	50,658	(18)	-	50,640	(0.04)	-
Total cost of the Fund's average net asset value (%)		0.03	0.16			

1 Excluding corporate actions.

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.19% (2021 - 0.21%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

15 Shares in issue reconciliation

	Number of shares in issue 31.12.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 31.12.22
A Accumulation shares	839,419	222,663	(319,345)	(3,032)	739,705
A Income shares	2,420,551	42,779	(386,732)	(151,662)	1,924,936
C Accumulation shares	2,851,319	27,906	(164,051)	(11,743)	2,703,431
C Income shares	4,965,701	29,741	(341,491)	-	4,653,951
L Accumulation shares	12,193,329	4,692,383	(4,044,088)	(143,295)	12,698,329
L Income shares	12,004,331	746,721	(2,420,119)	152,756	10,483,689
S Accumulation shares	25,798	-	-	643	26,441
S Income shares	5,609,622	-	(929,362)	-	4,680,260
Z Accumulation shares	8,591,246	1,384,492	(1,961,116)	53,668	8,068,290
Z Income shares	17,231,377	301,662	(2,234,739)	88,251	15,386,551

Notes to the Accounts

For the year ended 31 December 2022 (continued)

16 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 December 2022, the price of each share class has changed as follows:

	Dealing price 21.4.23	Dealing price 30.12.22	% change
A Accumulation shares	231.00p	217.20p	6.35
A Income shares	151.50p	145.20p	4.34
C Accumulation shares	260.10p	244.00p	6.60
C Income shares	167.10p	159.70p	4.63
L Accumulation shares	81.95p	76.87p	6.61
L Income shares	54.36p	51.96p	4.62
S Accumulation shares	266.10p	249.50p	6.65
S Income shares	53.04p	50.68p	4.66
Z Accumulation shares	275.60p	258.60p	6.57
Z Income shares	173.90p	166.20p	4.63

Distribution Tables

Interim distribution for the six months ended 30 June 2022

Group 1 Shares purchased prior to 1 January 2022

Group 2 Shares purchased on or after 1 January 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.8.22 per share	Distribution paid 31.8.21 per share
A Accumulation shares				
Group 1	5.1109p	-	5.1109p	3.9478p
Group 2	2.1724p	2.9385p	5.1109p	3.9478p
A Income shares				
Group 1	3.4999p	-	3.4999p	2.8165p
Group 2	2.6444p	0.8555p	3.4999p	2.8165p
C Accumulation shares				
Group 1	5.7128p	-	5.7128p	4.3812p
Group 2	2.9684p	2.7444p	5.7128p	4.3812p
C Income shares				
Group 1	3.8323p	-	3.8323p	3.0618p
Group 2	2.2331p	1.5992p	3.8323p	3.0618p
L Accumulation shares				
Group 1	1.7982p	-	1.7982p	1.3778p
Group 2	0.7427p	1.0555p	1.7982p	1.3778p
L Income shares				
Group 1	1.2456p	-	1.2456p	0.9943p
Group 2	0.6617p	0.5839p	1.2456p	0.9943p
S Accumulation shares				
Group 1	5.8330p	-	5.8330p	4.4616p
Group 2	5.8330p	-	5.8330p	4.4616p
S Income shares				
Group 1	1.2140p	-	1.2140p	0.9673p
Group 2	1.2140p	-	1.2140p	0.9673p
Z Accumulation shares				
Group 1	6.0549p	-	6.0549p	4.6436p
Group 2	2.5653p	3.4896p	6.0549p	4.6436p
Z Income shares				
Group 1	3.9880p	-	3.9880p	3.1862p
Group 2	2.0864p	1.9016p	3.9880p	3.1862p

Final distribution for the six months ended 31 December 2022

Group 1 Shares purchased prior to 1 July 2022

Group 2 Shares purchased on or after 1 July 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
A Accumulation shares				
Group 1	4.0811p	-	4.0811p	4.7014p
Group 2	1.1855p	2.8956p	4.0811p	4.7014p

Distribution Tables

(continued)

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
A Income shares				
Group 1	2.7272p	-	2.7272p	3.2925p
Group 2	1.0089p	1.7183p	2.7272p	3.2925p
C Accumulation shares				
Group 1	4.5754p	-	4.5754p	5.2342p
Group 2	2.4169p	2.1585p	4.5754p	5.2342p
C Income shares				
Group 1	2.9952p	-	2.9952p	3.5906p
Group 2	1.8280p	1.1672p	2.9952p	3.5906p
L Accumulation shares				
Group 1	1.4408p	-	1.4408p	1.6466p
Group 2	0.8672p	0.5736p	1.4408p	1.6466p
L Income shares				
Group 1	0.9739p	-	0.9739p	1.1663p
Group 2	0.2721p	0.7018p	0.9739p	1.1663p
S Accumulation shares				
Group 1	4.6760p	-	4.6760p	5.3382p
Group 2	4.6760p	-	4.6760p	5.3382p
S Income shares				
Group 1	0.9496p	-	0.9496p	1.1359p
Group 2	0.9496p	-	0.9496p	1.1359p
Z Accumulation shares				
Group 1	4.8495p	-	4.8495p	5.5476p
Group 2	3.5972p	1.2523p	4.8495p	5.5476p
Z Income shares				
Group 1	3.1169p	-	3.1169p	3.7363p
Group 2	1.2649p	1.8520p	3.1169p	3.7363p

Equalisation

Equalisation applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Schroder Strategic Credit Fund

Fund Information

Investment objective and policy

Schroder Strategic Credit Fund (the 'Fund') aims to provide income and capital growth in excess of the ICE BofA Sterling 3 Month Government Bill Index (after fees have been deducted) over a three to five year period by investing in fixed and floating rate securities of companies worldwide but this cannot be guaranteed and your capital is at risk.

The Fund is actively managed and invests at least 80% of its assets in fixed and floating rate securities denominated in sterling (or in other currencies and hedged back into sterling) issued by companies worldwide. The Fund may also invest in fixed and floating rate securities issued by governments, government agencies and supra-nationals worldwide.

The Fund may invest more than 50% of its assets in below investment grade securities (as measured by Standard & Poor's or any other equivalent credit rating agencies) or in unrated securities.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to Appendix III, Section 10: Derivatives and Forwards of the Prospectus). The Fund may use leverage and take short positions.

Fund characteristics

The Fund's performance should be assessed against its target benchmark the ICE BofA Sterling 3 Month Government Bill Index and compared against the Investment Association Strategic Bond sector average return. The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective. The comparator benchmarks has been selected because the Investment Adviser and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Review of Investment Activities

From 31 December 2021 to 30 December 2022, the price of Z Accumulation shares on a dealing price basis fell 8.16%. In the same period, the ICE BofA Sterling 3 Month Government Bill Index generated a total return of 1.29%¹.

The portfolio generated negative returns in 2022. Whilst portfolio return was positive in the second half of the year, it was not enough to offset the returns from H1. The majority of credit markets performed poorly over the year with our exposure to healthcare, European real estate and US telecoms among our worst performers. The main detractors to security selection were our allocations to Adler and Gaz Capital. Adler's poor performance was due to idiosyncratic reasons, whereas Gaz Capital suffered due to the sanctions imposed on Russia by the West, triggered by the onset of the Russia-Ukraine conflict. On the other hand, our exposure to US energy and European utilities were the main contributors to positive performance. Rising commodity prices were beneficial to the energy sector and utilities outperformed due to their defensive nature given the tough macroeconomic backdrop. We also benefitted from our allocation to tier-1 banking, which is a beneficiary of the rising rate environment without being affected by commodity price levels. The best performing names were Nidda Healthcare and Deutsche Bank, which performed well due to the higher rate environment.

We were able to significantly increase our exposure to banking and financials as we took advantage of new issues that were available at very attractive levels. Healthcare remains the largest sector held within the portfolio, which accounts for approximately 16% of the net asset value. We continue to focus on this sector due to a rise in adoption of private healthcare and ageing populations. The Fund also maintains a tilt towards more defensive sectors such as telecoms, which accounts for 10% of the NAV. We now hold approximately 9% of the Fund within the banking sector given the additions we made during the second half of the year. The majority of our portfolio allocation is in high yield as we continue to see value there, particularly in BB and B rated securities. We favour BB's particularly given the very low and manageable historical default rate.

**Fund Manager:
Peter Harvey**



Peter joined Schroders in July 2013 following the acquisition of Cazenove Capital

Having joined Cazenove Capital in 2005, where he was head of the European credit team, Peter is now part of the London based fixed income team at Schroders

He has 31 years' experience analysing and investing in corporate debt

Peter studied management and international relations at St Andrews University

¹ Source: Refinitiv Eikon Datastream.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Risk Profile

Risk and reward indicator



The risk category is based upon the Fund’s risk target and there is no guarantee that the Fund will achieve it. The Fund’s risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Comparative Table

Financial year to 31 December	A Accumulation shares			A Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	183.14	176.79	170.86	87.00	87.79	88.70
Return before operating charges*	(13.84)	8.48	7.89	(6.61)	4.21	3.98
Operating charges	(2.01)	(2.13)	(1.96)	(0.94)	(1.05)	(1.01)
Return after operating charges*	(15.85)	6.35	5.93	(7.55)	3.16	2.97
Distributions**	(9.08)	(8.04)	(7.56)	(4.26)	(3.95)	(3.88)
Retained distributions**	9.08	8.04	7.56	-	-	-
Closing net asset value	167.29	183.14	176.79	75.19	87.00	87.79
*after direct transaction costs of	-	-	-	-	-	-
Performance						
Return after charges (%)	(8.65)	3.59	3.47	(8.68)	3.60	3.35
Other information						
Closing net asset value (£000's)	12,423	15,947	16,627	705	843	1,156
Closing number of shares	7,425,870	8,707,681	9,404,707	938,232	969,056	1,316,717
Operating charges (%)	1.17	1.17	1.16	1.17	1.17	1.16
Prices						
Highest dealing price	184.20p	184.80p	177.96p	87.50p	90.99p	90.28p
Lowest dealing price	160.90p	178.10p	147.54p	74.46p	88.47p	76.60p

Comparative Table (continued)

Financial year to 31 December	C Accumulation shares			C Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	189.34	182.05	175.30	90.47	90.92	91.53
Return before operating charges*	(14.31)	8.73	8.14	(6.88)	4.36	4.12
Operating charges	(1.38)	(1.44)	(1.39)	(0.65)	(0.71)	(0.72)
Return after operating charges*	(15.69)	7.29	6.75	(7.53)	3.65	3.40
Distributions**	(9.40)	(8.30)	(7.77)	(4.43)	(4.10)	(4.01)
Retained distributions**	9.40	8.30	7.77	-	-	-
Closing net asset value	173.65	189.34	182.05	78.51	90.47	90.92
*after direct transaction costs of	-	-	-	-	-	-
Performance						
Return after charges (%)	(8.29)	4.00	3.85	(8.32)	4.01	3.71
Other information						
Closing net asset value (£000's)	577	1,102	1,464	1,694	2,028	2,133
Closing number of shares	332,497	582,017	804,126	2,157,360	2,241,710	2,345,759
Operating charges (%)	0.77	0.77	0.76	0.77	0.77	0.76
Prices						
Highest dealing price	190.40p	190.90p	183.25p	90.99p	94.42p	93.50p
Lowest dealing price	166.90p	183.40p	151.46p	77.68p	91.63p	79.09p

Comparative Table (continued)

Financial year to 31 December	D Accumulation shares			D Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	65.78	63.15	60.69	46.60	46.76	46.99
Return before operating charges*	(4.99)	3.03	2.83	(3.54)	2.25	2.11
Operating charges	(0.36)	(0.40)	(0.37)	(0.27)	(0.30)	(0.28)
Return after operating charges*	(5.35)	2.63	2.46	(3.81)	1.95	1.83
Distributions**	(3.26)	(2.87)	(2.68)	(2.29)	(2.11)	(2.06)
Retained distributions**	3.26	2.87	2.68	-	-	-
Closing net asset value	60.43	65.78	63.15	40.50	46.60	46.76
*after direct transaction costs of	-	-	-	-	-	-
Performance						
Return after charges (%)	(8.13)	4.16	4.05	(8.18)	4.17	3.89
Other information						
Closing net asset value (£000's)	1	1	1	608	1,911	3,497
Closing number of shares	2,000	2,000	2,000	1,501,945	4,100,260	7,478,380
Operating charges (%)	0.62	0.62	0.62	0.62	0.62	0.62
Prices						
Highest dealing price	66.15p	66.28p	63.57p	46.87p	48.60p	48.09p
Lowest dealing price	58.06p	63.64p	52.47p	40.06p	47.13p	40.63p

Comparative Table (continued)

Financial year to 31 December	L Accumulation shares			L Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	196.66	188.90	181.64	93.91	94.28	94.78
Return before operating charges*	(14.87)	9.06	8.46	(7.16)	4.52	4.28
Operating charges	(1.24)	(1.30)	(1.20)	(0.58)	(0.64)	(0.62)
Return after operating charges*	(16.11)	7.76	7.26	(7.74)	3.88	3.66
Distributions**	(9.77)	(8.61)	(8.06)	(4.60)	(4.25)	(4.16)
Retained distributions**	9.77	8.61	8.06	-	-	-
Closing net asset value	180.55	196.66	188.90	81.57	93.91	94.28
*after direct transaction costs of	-	-	-	-	-	-
Performance						
Return after charges (%)	(8.19)	4.11	4.00	(8.24)	4.12	3.86
Other information						
Closing net asset value (£000's)	181,504	273,817	249,752	250,752	266,397	343,628
Closing number of shares	100,530,823	139,232,947	132,215,954	307,390,194	283,668,376	364,477,441
Operating charges (%)	0.67	0.67	0.66	0.67	0.67	0.66
Prices						
Highest dealing price	197.80p	198.20p	190.15p	94.45p	97.96p	96.96p
Lowest dealing price	173.50p	190.30p	157.03p	80.69p	95.02p	81.94p

Comparative Table (continued)

Financial year to 31 December	S Accumulation shares			S Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	190.38	182.50	175.14	47.99	48.08	48.24
Return before operating charges*	(14.40)	8.76	8.16	(3.65)	2.31	2.18
Operating charges	(0.85)	(0.88)	(0.80)	(0.21)	(0.23)	(0.22)
Return after operating charges*	(15.25)	7.88	7.36	(3.86)	2.08	1.96
Distributions**	(9.47)	(8.33)	(7.78)	(2.36)	(2.17)	(2.12)
Retained distributions**	9.47	8.33	7.78	-	-	-
Closing net asset value	175.13	190.38	182.50	41.77	47.99	48.08
*after direct transaction costs of	-	-	-	-	-	-
Performance						
Return after charges (%)	(8.01)	4.32	4.20	(8.04)	4.33	4.06
Other information						
Closing net asset value (£000's)	17,288	35,640	38,756	34,778	57,348	92,476
Closing number of shares	9,871,534	18,720,993	21,236,832	83,257,248	119,495,031	192,329,378
Operating charges (%)	0.47	0.47	0.46	0.47	0.47	0.46
Prices						
Highest dealing price	191.50p	191.70p	183.70p	48.27p	50.01p	49.45p
Lowest dealing price	168.20p	183.90p	151.48p	41.30p	48.46p	41.73p

Comparative Table (continued)

Financial year to 31 December	Z Accumulation shares			Z Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	65.39	62.87	60.52	46.79	47.02	47.31
Return before operating charges*	(4.95)	3.02	2.80	(3.57)	2.26	2.13
Operating charges	(0.47)	(0.50)	(0.45)	(0.33)	(0.37)	(0.35)
Return after operating charges*	(5.42)	2.52	2.35	(3.90)	1.89	1.78
Distributions**	(3.25)	(2.87)	(2.68)	(2.29)	(2.12)	(2.07)
Retained distributions**	3.25	2.87	2.68	-	-	-
Closing net asset value	59.97	65.39	62.87	40.60	46.79	47.02
*after direct transaction costs of	-	-	-	-	-	-
Performance						
Return after charges (%)	(8.29)	4.01	3.88	(8.34)	4.02	3.76
Other information						
Closing net asset value (£000's)	48,179	44,495	28,322	21,078	16,311	12,027
Closing number of shares	80,340,746	68,049,165	45,049,320	51,918,769	34,863,589	25,580,469
Operating charges (%)	0.77	0.77	0.76	0.77	0.77	0.76
Prices						
Highest dealing price	65.75p	65.91p	63.28p	47.05p	48.83p	48.35p
Lowest dealing price	57.64p	63.35p	52.31p	40.17p	47.38p	40.90p

** These figures have been rounded to 2 decimal places.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Statement

	Holding at 31.12.22	Market Value £000's	% of net assets
Corporate Bonds 96.29% (93.69%)			
Austria 0.95% (0.91%)			
ams-OSRAM 6% 31/07/2025	1,297,000	1,073	0.19
Sappi Papier Holding 3.625% 15/03/2028	825,000	626	0.11
Sappi Papier Holding 7.5% 15/06/2032	1,000,000	748	0.13
Lenzing FRN 5.75% Perpetual	4,000,000	2,941	0.52
		5,388	0.95
Belgium 0.33% (0.09%)			
Ontex Group 3.5% 15/07/2026	854,000	637	0.11
LSF XI Magpie Bidco 7.25% 30/06/2027	1,614,000	1,256	0.22
		1,893	0.33
Bermuda 1.50% (0.84%)			
Digicel 6.75% 01/03/2023	3,570,000	1,137	0.20
Hiscox 6% 22/09/2027	450,000	447	0.08
Lancashire Holdings FRN 5.625% 18/09/2041	4,099,000	2,663	0.47
Hiscox FRN 6.125% 24/11/2045	4,543,000	4,310	0.75
		8,557	1.50
Cayman Islands 0.59% (0.47%)			
Sable International Finance 5.75% 07/09/2027	2,449,000	1,878	0.33
Seagate HDD Cayman 9.625% 01/12/2032	1,635,660	1,492	0.26
		3,370	0.59
Denmark 1.08% (0.68%)			
DKT Finance 9.375% 17/06/2023	6,498,000	5,334	0.94
DKT Finance 7% 17/06/2023	900,000	791	0.14
		6,125	1.08
Finland 0.27% (0.24%)			
PHM Group Holding 4.75% 18/06/2026	2,029,000	1,562	0.27
		1,562	0.27
France 6.66% (7.16%)			
Casino Guichard Perrachon, STEP 4.498% 07/03/2024	900,000	659	0.12
La Financiere Atalian 4% 15/05/2024	1,681,000	1,262	0.22
Iqera Group FRN 6.568% 30/09/2024	688,000	574	0.10
Altice France 2.5% 15/01/2025	309,000	245	0.04

	Holding at 31.12.22	Market Value £000's	% of net assets
Altice France 2.125% 15/02/2025	2,445,000	1,909	0.34
La Financiere Atalian 6.625% 15/05/2025	6,362,000	4,237	0.74
Novafives FRN 6.546% 15/06/2025	665,000	471	0.08
Parts Europe 6.5% 16/07/2025	1,374,000	1,213	0.21
Faurecia 7.25% 15/06/2026	392,000	350	0.06
iliad 2.375% 17/06/2026	3,600,000	2,872	0.50
Casino Guichard Perrachon, STEP 4.048% 05/08/2026	900,000	406	0.07
Iliad Holding 5.125% 15/10/2026	1,327,000	1,089	0.19
Iliad Holding 6.5% 15/10/2026	454,000	350	0.06
Loxam 4.5% 15/02/2027	2,508,000	2,027	0.36
SPCM 3.125% 15/03/2027	4,656,000	3,353	0.59
Casino Guichard Perrachon 5.25% 15/04/2027	340,000	152	0.03
CAB SELAS 3.375% 01/02/2028	3,314,000	2,355	0.41
Emeria 3.375% 31/03/2028	1,902,000	1,403	0.25
Chrome Bidco 3.5% 31/05/2028	1,292,000	960	0.17
Iliad Holding 7% 15/10/2028	954,000	717	0.13
Altice France 4.125% 15/01/2029	968,000	653	0.11
Altice France 5.125% 15/01/2029	1,016,000	635	0.11
Altice France 5.5% 15/10/2029	4,020,000	2,544	0.45
Electricite de France FRN 6% Perpetual	1,700,000	1,518	0.27
Korian FRN 4.125% Perpetual	7,900,000	5,955	1.05
		37,909	6.66

	Holding at 31.12.22	Market Value £000's	% of net assets
Germany 11.08% (9.13%)			
Deutsche Bank 3.875% 12/02/2024	800,000	780	0.14
Adler Pelzer Holding 4.125% 01/04/2024	370,000	278	0.05
Deutsche Bank 2.625% 16/12/2024	500,000	464	0.08
Tele Columbus 3.875% 02/05/2025	2,862,000	1,902	0.33
IHO Verwaltungs 3.625% 15/05/2025	5,438,000	4,390	0.77
Techem Verwal- tungsgesellschaft 675 2% 15/07/2025	1,013,000	824	0.15

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets		Holding at 31.12.22	Market Value £000's	% of net assets
Peach Property Finance 4.375% 15/11/2025	6,701,000	4,386	0.77				
Deutsche Pfandbriefbank 7.625% 08/12/2025	2,000,000	1,980	0.35				
ProGroup 3% 31/03/2026	2,669,000	2,075	0.37				
Deutsche Bank FRN 4% 24/06/2026	1,600,000	1,498	0.26				
Nidda Healthcare Holding 7.5% 21/08/2026	8,997,000	7,593	1.33				
Gruenthal 3.625% 15/11/2026	1,899,000	1,539	0.27				
WEPA Hygienepro- dukte FRN 4.921% 15/12/2026	5,963,000	4,718	0.83				
INEOS Styrolution Group 2.25% 16/01/2027	200,000	144	0.03				
Cheplapharm Arzneimittel 3.5% 11/02/2027	8,223,000	6,369	1.12				
IHO Verwaltungs 6% 15/05/2027	2,300,000	1,672	0.29				
IHO Verwaltungs FRN 3.875% 15/05/2027	940,000	702	0.12				
ZF Finance 2.75% 25/05/2027	900,000	671	0.12				
WEPA Hygiene- produkte 2.875% 15/12/2027	666,000	480	0.08				
Cheplapharm Arzneimittel 5.5% 15/01/2028	1,975,000	1,368	0.24				
Cheplapharm Arzneimittel 4.375% 15/01/2028	593,000	461	0.08				
Gruenthal 4.125% 15/05/2028	11,044,000	8,794	1.54				
ZF Finance 3.75% 21/09/2028	1,100,000	818	0.14				
Commerzbank FRN 8.625% 28/02/2033	3,000,000	3,009	0.53				
Commerzbank FRN 6.5% Perpetual	1,800,000	1,436	0.25				
Commerzbank FRN 6.125% Perpetual	800,000	658	0.12				
Deutsche Bank FRN 7.125% Perpetual	2,400,000	2,158	0.38				
Deutsche Bank FRN 4.5% Perpetual	1,600,000	1,107	0.20				
Deutsche Bank FRN 4.625% Perpetual	1,200,000	808	0.14				
		63,082	11.08				
Guernsey 0.55% (0.47%)							
Summit Properties 2% 31/01/2025	4,115,000	3,132	0.55				
		3,132	0.55				
				Ireland 1.39% (1.09%)			
				Virgin Media Vendor Financing Notes III 4.875% 15/07/2028	6,660,000	5,362	0.94
				Bank of Ireland Group FRN 7.594% 06/12/2032	2,129,000	2,112	0.37
				Roadster Finance 2.375% 08/12/2032	700,000	463	0.08
					7,937	1.39	
				Isle of Man 0.49% (0.79%)			
				Playtech 3.75% 12/10/2023	2,516,604	2,208	0.39
				Playtech 4.25% 07/03/2026	700,000	584	0.10
					2,792	0.49	
				Israel 0.86% (0.56%)			
				Energean Israel Finance 4.5% 30/03/2024	1,275,000	1,023	0.18
				Energean Israel Finance 4.875% 30/03/2026	1,784,000	1,369	0.24
				Energean Israel Finance 5.375% 30/03/2028	2,748,000	2,045	0.36
				Energean Israel Finance 5.875% 30/03/2031	668,966	484	0.08
					4,921	0.86	
				Italy 5.06% (3.69%)			
				Limacorporate FRN 5.512% 15/08/2023	7,478,000	6,407	1.12
				Bormioli Pharma FRN 5.262% 15/11/2024	6,597,000	5,380	0.94
				Lottomatica 5.125% 15/07/2025	869,000	729	0.13
				Intesa Sanpaolo 7% 21/11/2025	1,106,000	939	0.16
				Banca Monte dei Paschi di Siena 1.875% 09/01/2026	234,000	177	0.03
				Almaviva-The Italian Innovation 4.875% 30/10/2026	3,083,000	2,553	0.45
				EVOCA FRN 5.891% 01/11/2026	1,453,000	1,082	0.19
				Marcolin 6.125% 15/11/2026	3,117,000	2,378	0.42
				Fiber Bidco 11% 25/10/2027	777,000	729	0.13
				BPER Banca FRN 6.21% 01/02/2028	526,000	456	0.08
				Guala Closures 3.25% 15/06/2028	870,000	656	0.12
				Intesa Sanpaolo 8.505% 20/09/2032	2,930,000	2,904	0.51
				Intesa Sanpaolo FRN 8.248% 21/11/2033	277,000	234	0.04

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets
Assicurazioni Generali FRN 6.269% Perpetual	2,600,000	2,549	0.45
Assicurazioni Generali FRN 4.596% Perpetual	550,000	474	0.08
UnipolSai Assicurazioni FRN 6.375% Perpetual	1,489,000	1,180	0.21
		28,827	5.06
Japan 0.08% (0.08%)			
SoftBank Group 3.125% 06/01/2025	600,000	454	0.08
		454	0.08
Jersey 2.48% (2.04%)			
AA Bond 6.5% 31/01/2026	1,412,000	1,123	0.20
Galaxy Bidco 6.5% 31/07/2026	5,991,000	5,074	0.89
Kane Bidco 6.5% 15/02/2027	5,134,000	4,261	0.75
CPUK Finance 4.5% 28/08/2027	1,200,000	993	0.18
AA Bond 4.875% 31/07/2043	841,000	797	0.14
AA Bond 3.25% 31/07/2050	262,000	195	0.03
AA Bond 5.5% 31/07/2050	1,915,000	1,650	0.29
		14,093	2.48
Luxembourg 6.25% (7.30%)			
ADLER Group 1.5% 26/07/2024	3,300,000	1,991	0.35
Vivion Investments 3% 08/08/2024	200,000	137	0.02
ADLER Group 3.25% 05/08/2025	2,100,000	756	0.13
Rossini FRN 5.48% 30/10/2025	5,548,000	4,824	0.85
Garfunkelux Holdco 3 7.75% 01/11/2025	2,128,000	1,653	0.29
Kleopatra Finco 4.25% 01/03/2026	762,000	525	0.09
Matterhorn Telecom 3.125% 15/09/2026	7,314,000	5,864	1.03
Cullinan Holdcop 4.625% 15/10/2026	708,000	549	0.10
HSE Finance 5.625% 15/10/2026	1,301,000	609	0.11
ADLER Group 2.75% 13/11/2026	1,000,000	351	0.06
ADLER Group 2.25% 27/04/2027	900,000	276	0.05
Matterhorn Telecom 4% 15/11/2027	329,000	266	0.05
Cirsa Finance International 10.375% 30/11/2027	771,000	699	0.12
CPI Property Group 2.75% 22/01/2028	1,875,000	1,245	0.22

	Holding at 31.12.22	Market Value £000's	% of net assets
Cidron Aida Finco 6.25% 01/04/2028	6,716,000	5,440	0.95
Cidron Aida Finco 5% 01/04/2028	406,000	307	0.05
Herens Holdco 4.75% 15/05/2028	3,305,000	2,047	0.36
Lune Holdings 5.625% 15/11/2028	1,814,000	1,306	0.23
Altice Financing 5.75% 15/08/2029	832,000	544	0.10
Hidrovias International Finance 4.95% 08/02/2031	2,166,000	1,330	0.23
MC Brazil Downstream Trading 7.25% 30/06/2031	814,000	558	0.10
CPI Property Group FRN 3.75% Perpetual	932,000	414	0.07
Eurofins Scientific FRN 3.25% Perpetual	4,988,000	3,927	0.69
		35,618	6.25
Mexico 1.30% (1.78%)			
Total Play Teleco- municaciones 7.5% 12/11/2025	1,023,000	747	0.13
Petroleos Mexicanos 3.75% 16/11/2025	4,469,000	3,941	0.69
Electricidad Firme de Mexico Holdings 4.9% 20/11/2026	486,000	355	0.06
Petroleos Mexicanos 5.35% 12/02/2028	599,000	419	0.07
Total Play Telecomu- nicaciones 6.375% 20/09/2028	2,686,000	1,746	0.31
Total Play Telecomu- nicaciones 6.375% 20/09/2028	300,000	195	0.04
		7,403	1.30
Netherlands 4.14% (7.87%)			
OI European Group 3.125% 15/11/2024	550,000	472	0.08
Teva Pharmaceutical Finance Netherlands II 4.5% 01/03/2025	2,272,000	1,930	0.34
Kongsberg Actuation Systems 5% 15/07/2025	2,942,545	2,351	0.41
IPD 3 5.5% 01/12/2025	2,755,000	2,312	0.41
IPD 3 FRN 7.484% 01/12/2025	2,202,000	1,905	0.34
ZF Europe Finance 2% 23/02/2026	3,000,000	2,289	0.40
Q-Park Holding I FRN 3.984% 01/03/2026	2,926,000	2,394	0.42
Compact Bidco 5.75% 01/05/2026	706,000	424	0.07

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets		Holding at 31.12.22	Market Value £000's	% of net assets
Trivium Packaging Finance 5.5% 15/08/2026	4,395,000	3,349	0.59	Ardagh Packaging Finance 2.125% 15/08/2026	559,000	413	0.07
Teva Pharmaceutical Finance Netherlands III 3.15% 01/10/2026	949,000	690	0.12	Canpack 2.375% 01/11/2027	1,579,000	1,099	0.19
Teva Pharmaceutical Finance Netherlands II 3.75% 09/05/2027	2,386,000	1,829	0.32	Canpack 3.875% 15/11/2029	819,000	537	0.09
Teva Pharmaceutical Finance Netherlands III 4.75% 09/05/2027	2,906,000	2,184	0.38		5,174	0.91	
United Group 4% 15/11/2027	203,000	133	0.02	Sweden 1.65% (2.04%)			
United Group 4.625% 15/08/2028	356,000	231	0.04	Verisure Holding FRN 6.378% 15/04/2025	1,162,000	1,022	0.18
United Group 5.25% 01/02/2030	369,000	235	0.04	Intrum 4.875% 15/08/2025	3,893,000	3,132	0.55
Ziggo Bond 5.125% 28/02/2030	253,000	170	0.03	Heimstaden 4.25% 09/03/2026	4,100,000	2,536	0.44
Telefonica Europe FRN 7.125% Perpetual	600,000	542	0.10	Intrum 3.5% 15/07/2026	1,319,000	979	0.17
Volkswagen International Finance FRN 3.748% Perpetual	200,000	150	0.03	Verisure Holding 3.25% 15/02/2027	1,242,000	951	0.17
		23,590	4.14	Verisure Holding 9.25% 15/10/2027	187,000	173	0.03
Norway 0.83% (0.90%)				Heimstaden Bostad FRN 3.248% Perpetual	505,000	323	0.06
Explorer II 3.375% 24/02/2025	494,129	363	0.06	Heimstaden Bostad FRN 2.625% Perpetual	652,000	300	0.05
Adevinta 2.625% 15/11/2025	3,670,000	3,012	0.53		9,416	1.65	
Adevinta 3% 15/11/2027	1,721,000	1,347	0.24	Switzerland 1.93% (0.77%)			
		4,722	0.83	Credit Suisse Group FRN 2.125% 13/10/2026	832,000	627	0.11
Portugal 0.00% (0.13%)				Credit Suisse 0.25% 01/09/2028	2,112,000	1,349	0.24
Spain 1.88% (2.03%)				Credit Suisse Group FRN 7.75% 01/03/2029	4,247,000	3,737	0.65
Via Celere Desarrollos Inmobiliarios 5.25% 01/04/2026	5,329,000	4,232	0.74	Credit Suisse Group FRN 9.016% 15/11/2033	1,999,000	1,707	0.30
NH Hotel Group 4% 02/07/2026	4,497,000	3,651	0.64	Aryzta FRN 6.486% Perpetual	5,010,000	3,579	0.63
Aedas Homes Opco SLU 4% 15/08/2026	1,624,000	1,210	0.21		10,999	1.93	
Banco de Credito Social Cooperativo FRN 8% 22/09/2026	800,000	711	0.13	United Kingdom 36.96% (36.18%)			
Grifols 2.25% 15/11/2027	1,140,000	881	0.16	Aviva FRN 6.875%	422,000	382	0.07
		10,685	1.88	Just Group FRN 5%	287,000	203	0.04
Supranational 0.91% (0.52%)				Lloyds Banking Group FRN 8.5%	1,000,000	1,004	0.18
Clarios Global 4.375% 15/05/2026	1,850,000	1,515	0.27	Jaguar Land Rover Automotive 3.875% 01/03/2023	1,301,000	1,285	0.23
Clarios Global 6.25% 15/05/2026	617,000	501	0.09	Ladbrokes Group Finance 5.125% 08/09/2023	2,205,000	2,172	0.38
Ardagh Packaging Finance 4.125% 15/08/2026	1,540,000	1,109	0.20	Heathrow Finance, STEP 4.75% 01/03/2024	3,011,000	2,928	0.51
				Saga 3.375% 12/05/2024	2,452,000	2,184	0.38

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets		Holding at 31.12.22	Market Value £000's	% of net assets
Co-Operative Group 5.125% 17/05/2024	1,178,000	1,113	0.19	Merlin Entertainments 5.75% 15/06/2026	12,479,000	9,713	1.70
Energia Group NI FinanceCo 4.75% 15/09/2024	5,876,000	5,446	0.96	Punch Finance 6.125% 30/06/2026	6,233,000	5,234	0.92
eG Global Finance 6.75% 07/02/2025	6,329,000	4,593	0.81	Saga 5.5% 15/07/2026	6,048,000	4,482	0.79
eG Global Finance 4.375% 07/02/2025	4,135,000	3,174	0.56	Victoria 3.625% 24/08/2026	957,000	692	0.12
TalkTalk Telecom Group 3.875% 20/02/2025	9,997,000	7,795	1.37	Virgin Money UK FRN 4% 25/09/2026	3,714,000	3,448	0.60
Neptune Energy Bondco 6.625% 15/05/2025	2,882,000	2,326	0.41	Ocado Group 3.875% 08/10/2026	1,457,000	1,122	0.20
Neptune Energy Bondco 6.625% 15/05/2025	2,711,000	2,188	0.38	Harbour Energy 5.5% 15/10/2026	4,386,000	3,267	0.57
Virgin Money UK FRN 3.125% 22/06/2025	436,000	413	0.07	Harbour Energy 5.5% 15/10/2026	3,797,000	2,829	0.50
Tesco Personal Finance Group 3.5% 25/07/2025	1,288,000	1,204	0.21	Premier Foods Finance 3.5% 15/10/2026	4,405,000	3,854	0.68
Stonegate Pub Co. Financing 2019 8.25% 31/07/2025	900,000	812	0.14	Barclays FRN 7.325% 02/11/2026	1,663,000	1,435	0.25
Pinewood Finance 3.25% 30/09/2025	11,868,000	10,895	1.91	NatWest Group FRN 7.472% 10/11/2026	2,346,000	2,031	0.36
eG Global Finance 8.5% 30/10/2025	805,000	623	0.11	Sherwood Financing 6% 15/11/2026	7,364,000	5,670	0.99
eG Global Finance 6.25% 30/10/2025	391,000	303	0.05	Santander UK Group Holdings FRN 6.833% 21/11/2026	5,745,000	4,832	0.85
Phoenix Group Holdings 6.625% 18/12/2025	2,032,000	2,024	0.35	Jerrold Finco 5.25% 15/01/2027	821,000	678	0.12
INEOS Quattro Finance 2 2.5% 15/01/2026	956,000	719	0.13	Voyage Care BondCo 5.875% 15/02/2027	8,950,000	7,544	1.32
INEOS Quattro Finance 2 3.375% 15/01/2026	349,000	267	0.05	Virgin Media Secured Finance 5% 15/04/2027	600,000	533	0.09
Jerrold Finco 4.875% 15/01/2026	5,548,000	4,769	0.84	Deuce Finco 5.5% 15/06/2027	856,000	681	0.12
Bellis Acquisition 3.25% 16/02/2026	5,932,000	4,817	0.85	Daily Mail & General Trust 6.375% 21/06/2027	2,050,000	1,824	0.32
Bellis Acquisition 4.5% 16/02/2026	1,574,000	1,316	0.23	Phoenix Group Holdings 5.375% 06/07/2027	933,000	730	0.13
Travis Perkins 3.75% 17/02/2026	1,445,000	1,275	0.22	Rolls-Royce 5.75% 15/10/2027	3,482,000	3,174	0.56
INEOS Finance 3.375% 31/03/2026	1,600,000	1,263	0.22	Rolls-Royce 5.75% 15/10/2027	470,000	372	0.06
Gatwick Airport Finance 4.375% 07/04/2026	1,112,000	1,001	0.18	NatWest Markets 6.375% 08/11/2027	2,789,000	2,855	0.50
INEOS Finance 2.875% 01/05/2026	5,366,000	4,094	0.72	Pinewood Finance 3.625% 15/11/2027	4,964,000	4,356	0.76
Marks & Spencer 3.75% 19/05/2026	509,000	443	0.08	Santander UK Group Holdings FRN 7.098% 16/11/2027	3,066,000	3,109	0.55
Thames Water Kemble Finance 4.625% 19/05/2026	1,300,000	1,096	0.19	Nationwide Building Society FRN 6.178% 07/12/2027	3,438,000	3,445	0.60
				Quilter FRN 4.478% 28/02/2028	9,932,000	9,585	1.68
				Metro Bank FRN 5.5% 26/06/2028	468,000	261	0.05

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets		Holding at 31.12.22	Market Value £000's	% of net assets
Investec Bank FRN 4.25% 24/07/2028	122,000	120	0.02				
RI Finance Bonds No. 3 6.125% 13/11/2028	1,745,000	1,684	0.30				
Vmed O2 UK Financing I 4% 31/01/2029	6,145,000	4,775	0.84				
Phoenix Group Holdings 5.867% 13/06/2029	2,272,000	2,093	0.37				
Virgin Money UK FRN 5.125% 11/12/2030	3,418,000	3,164	0.55				
Phoenix Group Holdings 5.625% 28/04/2031	1,586,000	1,400	0.25				
Vmed O2 UK Financing I 4.5% 15/07/2031	445,000	338	0.06				
Utmost Group 4% 15/12/2031	1,448,000	1,057	0.19				
Barclays FRN 8.407% 14/11/2032	1,587,000	1,637	0.29				
Investec FRN 9.125% 06/03/2033	2,112,000	2,141	0.38				
NatWest Group FRN 7.416% 06/06/2033	2,471,000	2,488	0.44				
Telereal Securitisation FRN 4.496% 10/12/2033	992,250	833	0.15				
Aviva FRN 6.125% 14/11/2036	2,300,000	2,293	0.40				
RL Finance Bonds No. 2 FRN 6.125% 30/11/2043	4,987,000	4,972	0.87				
Dignity Finance, Series B 4.696% 31/12/2049	6,847,000	4,588	0.80				
Aviva FRN 5.125% 04/06/2050	900,000	812	0.14				
Legal & General Group FRN 4.5% 01/11/2050	1,250,000	1,079	0.19				
Vodafone Group FRN 6.25% 03/10/2078	3,600,000	2,852	0.50				
abrdn FRN 5.25% Perpetual	404,000	319	0.06				
BP Capital Markets FRN 4.25% Perpetual	3,890,000	3,417	0.60				
BP Capital Markets FRN 4.375% Perpetual	1,713,000	1,360	0.24				
BUPA Finance FRN 4% Perpetual	200,000	135	0.02				
Lloyds Banking Group FRN 7.875% Perpetual	3,544,000	3,379	0.59				
SSE FRN 3.74% Perpetual	1,857,000	1,686	0.30				
		210,505	36.96				
				United States of America 7.07% (5.93%)			
				Energy Transfer FRN 6.25%	6,800,000	4,805	0.84
				MPT Operating Partnership REIT 2.55% 05/12/2023	3,749,000	3,562	0.62
				Mauser Packaging Solutions Holding 4.75% 15/04/2024	4,086,000	3,472	0.61
				Ford Motor Credit 2.748% 14/06/2024	1,502,000	1,418	0.25
				Ford Motor Credit 4.535% 06/03/2025	3,784,000	3,592	0.63
				MPT Operating Partnership REIT 2.5% 24/03/2026	2,362,000	1,874	0.33
				Millennium Escrow 6.625% 01/08/2026	1,957,000	1,041	0.18
				SCIL IV 5.375% 01/11/2026	1,281,000	903	0.16
				SCIL IV 4.375% 01/11/2026	524,000	398	0.07
				Frontier Communications Holdings 5.875% 15/10/2027	476,000	367	0.06
				Sotheby's 7.375% 15/10/2027	1,990,000	1,551	0.27
				Organon 4.125% 30/04/2028	5,151,000	3,791	0.67
				Organon 2.875% 30/04/2028	1,824,000	1,414	0.25
				MPT Operating Partnership REIT 3.692% 05/06/2028	2,588,000	1,891	0.33
				ADT Security 4.125% 01/08/2029	3,680,000	2,602	0.46
				180 Medical 3.875% 15/10/2029	700,000	500	0.09
				UGI International 2.5% 01/12/2029	10,497,000	7,104	1.25
						40,285	7.07
				Corporate Bonds total		548,439	96.29
				Convertible Bonds 0.96% (1.16%)			
				Austria 0.96% (0.52%)			
				ams-OSRAM 0% 05/03/2025	5,600,000	3,802	0.67
				ams-OSRAM 2.13% 03/11/2027	2,700,000	1,670	0.29
						5,472	0.96
				Luxembourg 0.00% (0.17%)			
				Spain 0.00% (0.47%)			
				Convertible Bonds total		5,472	0.96
				Forward Foreign Currency Contracts 0.18% ((0.18)%)			
				Buy EUR 17,072,786 Sell GBP 14,858,842 27/01/2023		297	0.05
				Buy EUR 1,472,522 Sell GBP 1,290,410 27/02/2023		19	0.00

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets		Holding at 31.12.22	Market Value £000's	% of net assets
Buy USD 3,450,122 Sell GBP 2,847,086 27/01/2023		17	0.00	Credit Default Swap BNP Paribas Sell Celta 3.125% 27/07/2022 20/06/2026	1,260,000	117	0.02
Buy USD 1,785,202 Sell GBP 1,495,792 27/01/2023		(14)	0.00	Credit Default Swap Credit Suisse Sell Faurecia 3.125% 15/06/2026 20/12/2026	2,161,000	66	0.01
Sell CHF 4,151,399 Buy GBP 3,702,800 27/02/2023		(52)	(0.01)	Credit Default Swap Merrill Lynch Sell Faurecia 3.125% 15/06/2026 20/12/2026	864,400	26	0.01
Sell EUR 132,392,403 Buy GBP 115,782,156 27/01/2023		(1,747)	(0.31)	Credit Default Swap Barclays Sell Modulaire Global Finance 6.5% 15/02/2023 20/12/2026	862,000	90	0.02
Sell EUR 124,986,604 Buy GBP 108,977,195 27/02/2023		(2,127)	(0.37)	Credit Default Swap J.P. Morgan Sell CMA CGM 7.5% 15/01/2026 20/12/2026	1,665,672	55	0.01
Sell USD 58,299,280 Buy GBP 52,022,295 27/01/2023		3,629	0.64	Credit Default Swap BNP Paribas Sell Faurecia 3.125% 15/06/2026 20/06/2027	866,310	20	0.00
Sell USD 2,737,000 Buy GBP 2,224,936 27/01/2023		(47)	(0.01)	Credit Default Swap Credit Suisse Sell 0 3.125% 15/06/2026 20/06/2027	414,000	9	0.00
Sell USD 71,976,841 Buy GBP 60,774,568 27/02/2023		1,071	0.19	Credit Default Swap J.P. Morgan Sell Intrum 3.125% 15/07/2024 20/06/2027	500,000	(34)	0.00
Forward Foreign Currency Contracts total		1,046	0.18	Credit Default Swap Morgan Stanley Sell Intrum 3.125% 15/07/2024 20/06/2027	909,091	(62)	(0.01)
Swaps 0.18% (0.25%)				Credit Default Swap BNP Paribas Sell Grifols 3.2% 01/05/2025 20/12/2024	1,000,000	(37)	(0.01)
Credit Default Swap Barclays Sell Jaguar Land Rover Automotive 5% 15/02/2022 20/06/2023	826,667	0	0.00	Credit Default Swap Credit Suisse Sell Grifols 3.2% 01/05/2025 20/12/2024	2,321,372	13	0.00
Credit Default Swap Credit Suisse Sell British Tele- communications 5.75% 07/12/2028 20/06/2024	2,750,908	13	0.00	Credit Default Swap Bank of America Sell British Tele- communications 5.75% 07/12/2028 20/12/2024	1,000,000	5	0.00
Credit Default Swap J.P. Morgan Sell Cellnex Telecom 3.125% 27/07/2022 20/12/2024	552,070	37	0.01	Credit Default Swap Morgan Stanley Sell Celta 3.125% 27/07/2022 20/12/2025	2,000,000	170	0.03
Credit Default Swap BNP Paribas Sell Grifols 3.2% 01/05/2025 20/12/2024	1,392,823	8	0.00	Credit Default Swap BNP Paribas Sell Grifols 3.2% 01/05/2025 20/12/2025	2,145,000	8	0.00
Credit Default Swap Credit Suisse Sell Grifols 3.2% 01/05/2025 20/12/2024	2,321,372	13	0.00	Credit Default Swap Credit Suisse Sell CMA CGM 7.5% 15/01/2026 20/06/2027	414,000	11	0.00
Credit Default Swap Bank of America Sell British Tele- communications 5.75% 07/12/2028 20/12/2024	1,000,000	5	0.00	Credit Default Swap Barclays Sell 0 0% 29/07/2019 20/12/2027	1,220,850	(119)	(0.02)
Credit Default Swap Morgan Stanley Sell Celta 3.125% 27/07/2022 20/12/2025	2,000,000	170	0.03				
Credit Default Swap BNP Paribas Sell Grifols 3.2% 01/05/2025 20/12/2025	2,145,000	8	0.00				
Credit Default Swap Credit Suisse Sell Grifols 3.2% 01/05/2025 20/12/2025	2,133,000	8	0.00				

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets		Holding at 31.12.22	Market Value £000's	% of net assets
Credit Default Swap Citigroup Sell 0 0% 29/07/2019 20/12/2027	800,000	(78)	(0.01)	Interest Rate Swap Morgan Stanley Pay fixed 3.82% Receive floating SONIA 1 day 03/03/2028	6,920,000	79	0.02
Credit Default Swap Barclays Sell Grifols 1.875% 15/01/2026 20/12/2027	1,052,007	(45)	(0.01)	Swaps total		1,008	0.18
Interest Rate Swap Morgan Stanley Pay fixed 1.15% Receive floating SONIA 1 day 24/03/2027	5,760,000	663	0.12	Futures 0.14% (0.00%)			
				Euro-Bobl March 2023	(98)	307	0.05
				Long Gilt March 2023	(72)	493	0.09
				US 5 Year Note March 2023	16	(1)	0.00
				Futures total		799	0.14
				Portfolio of investments		556,764	97.75
				Net other assets		12,823	2.25
				Net assets attributable to shareholders		569,587	100.00

The comparative percentage figures in brackets are as at 31 December 2021.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

Statement of Total Return

For the year ended 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Income					
Net capital (losses)/gains	2		(85,204)		2,815
Revenue	3	32,795		32,792	
Expenses	4	(4,168)		(4,891)	
Net revenue before taxation		28,627		27,901	
Taxation	5	(105)		(71)	
Net revenue after taxation			28,522		27,830
Total return before distributions			(56,682)		30,645
Distributions	6		(32,664)		(32,709)
Change in net assets attributable to shareholders from investment activities			(89,346)		(2,064)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	2022		2021	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		715,840		789,839
Amounts receivable on issue of shares	99,649		95,388	
Amounts payable on cancellation of shares	(172,445)		(183,246)	
		(72,796)		(87,858)
Dilution adjustment		322		196
Change in net assets attributable to shareholders from investment activities		(89,346)		(2,064)
Retained distribution on Accumulation shares		15,567		15,727
Closing net assets attributable to shareholders		569,587		715,840

Balance Sheet

As at 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Assets					
Investments			561,164		681,637
Current assets					
Debtors	8		9,650		8,697
Cash and bank balances	9		14,189		39,078
Total assets			585,003		729,412
Liabilities					
Investment liabilities			(4,400)		(2,147)
Creditors					
Bank overdrafts	10		(835)		(2,655)
Distributions payable			(9,100)		(8,093)
Other creditors	11		(1,081)		(677)
Total liabilities			(15,416)		(13,572)
Net assets attributable to shareholders			569,587		715,840

Notes to the Accounts

For the year ended 31 December 2022

1 Accounting policies

Basis of preparation

The applicable accounting policies adopted by Schroder Strategic Credit Fund are disclosed on pages 9 to 10.

2 Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	2022	2021
	£000's	£000's
Non-derivative securities	(67,225)	(17,966)
Derivative contracts	5,640	1,073
Forward foreign currency contracts	(24,528)	19,587
Foreign currency gains	909	124
Transaction costs	-	(3)
Net capital (losses)/gains	(85,204)	2,815

3 Revenue

	2022	2021
	£000's	£000's
Overseas dividends	93	114
Interest on debt securities	31,190	32,352
Bank interest	113	-
Net revenue return from derivative contracts	1,399	326
Total revenue	32,795	32,792

4 Expenses

	2022	2021
	£000's	£000's
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director fee	-	614
Administration charge	-	190
Schroders Annual Charge ^{1,2}	4,142	4,064
	4,142	4,868
Payable to the Depository, associates of the Depository and agents of either of them:		
Depository's fees	-	6
Safe custody fees	-	5
	-	11
Other expenses:		
Interest payable	26	12
Total expenses	4,168	4,891

1 Fees such as the Authorised Corporate Director fee, Administration fee, Depository fee were paid separately to 28 February 2021. From 1 March 2021 these fees were replaced with the Schroders Annual Charge.

2 Audit fees including VAT for the financial year ending 2022 were £11,508 (2021 - £11,508).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

5 Taxation

Corporation tax has not been provided for as expenses and interest distributions payable by the Fund exceed the revenue liable to corporation tax.

(a) Analysis of the tax charge for the year

	2022	2021
	£000's	£000's
Overseas withholding tax	105	71
Total current tax (Note 5(b))	105	71

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for Open Ended Investment Companies of 20% (2021 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2022	2021
	£000's	£000's
Net revenue before taxation	28,627	27,901
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	5,725	5,580
Effects of:		
Revenue not subject to corporation tax	(19)	(23)
Interest distributions deductible for tax purposes	(5,706)	(5,557)
Overseas withholding tax	105	71
Current tax charge for the year (Note 5(a))	105	71

6 Distributions

The distributions, which are on an effective yield basis, take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2022	2021
	£000's	£000's
Interim Interest distribution	15,775	15,686
Final Interest distribution	16,522	16,600
	32,297	32,286
Add: Revenue deducted on cancellation of shares	1,818	1,649
Deduct: Revenue received on issue of shares	(1,451)	(1,226)
Distributions	32,664	32,709
Net revenue after taxation	28,522	27,830
Expenses taken to capital	4,142	4,879
Distributions	32,664	32,709

Details of the distributions per share are set out in the Distribution Tables on pages 146 to 147.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

7 Fair value hierarchy

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Basis of valuation	2022		2021	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	800	(1)	41	(27)
Level 2: Observable market data	560,364	(4,399)	681,596	(2,120)
Level 3: Unobservable data	-	-	-	-
Total	561,164	(4,400)	681,637	(2,147)

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Authorised Corporate Director has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Authorised Corporate Director of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Authorised Corporate Director with particular attention paid to the carrying value of the investments.

8 Debtors

	2022 £000's	2021 £000's
Amounts receivable for issue of shares	1,641	477
Sales awaiting settlement	464	-
Amounts receivable on derivative contracts	55	20
Accrued revenue	7,490	8,200
Total debtors	9,650	8,697

9 Cash and bank balances

	2022 £000's	2021 £000's
Cash and bank balances	13,953	38,069
Amounts held at futures clearing houses and brokers	236	1,009
Total cash and bank balances	14,189	39,078

10 Bank overdrafts

	2022 £000's	2021 £000's
Amounts overdrawn at futures clearing houses and brokers	835	2,655
Total bank overdrafts	835	2,655

11 Other creditors

	2022 £000's	2021 £000's
Amounts payable for cancellation of shares	754	265
Amounts payable on derivative contracts	4	3
Accrued expenses	323	409
Total other creditors	1,081	677

Notes to the Accounts

For the year ended 31 December 2022 (continued)

12 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2021 – Nil).

13 Related party transactions

The Authorised Corporate Director provides key management personnel services for the Fund and is therefore considered a related party.

Amounts paid during the year or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies paid through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 9.72% (2021 – 13.43%).

14 Share classes

At the reporting date the Fund had twelve share classes. The costs and expenses due to the Manager are referred to as the Schroders Annual Charge. Details of the charges applied to each share class can be found in the prospectus.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on pages 123 to 128.

The distributions per share class are given in the Distribution Tables on pages 146 to 147.

All classes have the same rights on winding up.

15 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, derivative, foreign currency, liquidity, credit and interest rate risks. The Authorised Corporate Director's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £55,676,400 (2021 - £67,949,000).

Derivative risk

Where a Fund trades in derivatives to achieve its investment objective, this involves a higher degree of risk and may lead to a higher volatility in the share prices of the Fund. The Authorised Corporate Director employs a risk management process to allow the Authorised Corporate Director to measure derivative and forward positions and their contribution to the overall risk profile of the Fund. As part of this risk management process the Authorised Corporate Director conducts daily value at risk analysis of the Fund and performs both stress and back testing of the Fund.

Foreign currency risk

Where a portion of the net assets of the Fund are denominated in currencies other than sterling the balance sheet and total return can be affected by currency movements. Therefore the Authorised Corporate Director may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the Fund's exposure to currency risk is reduced.

Revenue received in other currencies is translated to sterling on or near the date of receipt. The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the Collective Investment Schemes sourcebook.

Credit risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the Authorised Corporate Director as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Interest rate risk

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

The Fund may invest in fixed and floating rate securities. The revenue of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the Authorised Corporate Director being unable to secure similar returns on the expiry of contracts or sale of securities.

The value of interest bearing securities may be affected by interest rate movements or the expectation of such movements in the future.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

Floating rate financial assets and financial liabilities

Sterling denominated bank balances and bank overdrafts bear interest at rates based on the Sterling Overnight Index Average Rate. Sterling denominated floating rate bonds and foreign currency bank balances and amounts held or overdrawn at futures clearing houses and brokers bear interest at rates based on the Sterling Overnight Index Average Rate or its international equivalent.

Euro denominated floating rate bonds bear interest at rates based on Euro Interbank Offer Rate.

US dollar denominated floating rate bonds bear interest at rates based on the US Secured Overnight Financing Rate.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Derivatives

During the year the Fund entered into derivative contracts for specific investment purposes in addition to being used for efficient management.

Global risk exposure

Absolute VaR approach

The approach used for the Funds managed with an absolute return target, an absolute volatility limit or a target of outperforming an interest rate benchmark.

Regulatory VaR limit utilisation

	2022			2021		
	Lowest	Highest	Average	Lowest	Highest	Average
	10.73%	25.30%	19.24%	11.04%	16.70%	12.94%

Information on VaR Model

Model type	Length of data history	2022			2021		
		Confidence level	Holding period	Length of data history	Confidence level	Holding period	
Parametric VaR	All available history	99.00%	20 days	All available history	99.00%	20 days	

Leverage

Information on the limit usage and level of leverage

The level of leverage is an indication of the derivative usage and of any leverage generated by the reinvestment of cash received as collateral when using efficient portfolio management techniques. It does not take into account other physical assets directly held in the portfolio of the Fund. The figure is not representative of the maximum amount that a Fund could lose, as it includes the derivatives used to protect the Net Asset Value of a Fund as well as the derivatives backed by risk free assets and derivatives which do not generate any incremental exposure, leverage or market risk from an economic perspective. The reported leverage figure is therefore not a true representation of the economic leverage¹ in the Fund.

The level of leverage disclosed is based on the total notional value² of all derivative instruments held by a Fund and is expressed as a percentage of the Fund's Net Asset Value. For the purpose of this calculation the holdings and offset derivative positions (long and short positions) do not cancel each other out and the figure is a sum of the total holdings.

Leverage

	2022				2021			
	Lowest	Highest	Average	Leverage 31 December	Lowest	Highest	Average	Leverage 31 December
	63.22%	147.59%	88.38%	73.20%	65.20%	192.61%	85.23%	66.75%

1 Where economic leverage is the sum of derivative commitments (calculated in line with European Securities and Markets Authority 10/788) and excludes derivatives used within hedging arrangements, derivatives whose commitments is covered by risk free assets and derivatives which are not considered to generate any incremental exposure and leverage or market risk.

2 Delta adjusted in line with European Securities and Markets Authority 10/788 when appropriate.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

16 Debt securities credit analysis

	2022 £000's	2021 £000's
Investment grade securities	105,111	123,301
Below investment grade securities	436,325	531,106
Unrated securities	12,475	24,558
Total debt securities	553,911	678,965

The Fund invests in credit default swaps to adjust the credit risk profile of the Fund. Notional amounts for credit default swap positions are shown in the portfolio statement. All counterparties for credit default swap positions at the reporting date are investment grade.

17 Direct transaction costs

The transaction costs on the purchase or sale of investments incurred by the Fund during the year and prior year were immaterial. The total purchases for the year amounted to £133,070,989 (2021 – £211,696,854) and the total sales amounted to £191,216,863 (2021 – £278,589,276).

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 1.38% (2021 – 0.73%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

18 Shares in issue reconciliation

	Number of shares in issue 31.12.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 31.12.22
A Accumulation shares	8,707,681	1,270,233	(2,550,743)	(1,301)	7,425,870
A Income shares	969,056	44,606	(63,731)	(11,699)	938,232
C Accumulation shares	582,017	15,778	(262,132)	(3,166)	332,497
C Income shares	2,241,710	–	(41,860)	(42,490)	2,157,360
D Accumulation shares	2,000	–	–	–	2,000
D Income shares	4,100,260	–	(2,598,315)	–	1,501,945
L Accumulation shares	139,232,947	10,966,850	(49,792,072)	123,098	100,530,823
L Income shares	283,668,376	61,311,229	(37,839,603)	250,192	307,390,194
S Accumulation shares	18,720,993	2,878,205	(11,600,914)	(126,750)	9,871,534
S Income shares	119,495,031	5,316,451	(41,448,387)	(105,847)	83,257,248
Z Accumulation shares	68,049,165	17,547,335	(5,173,142)	(82,612)	80,340,746
Z Income shares	34,863,589	21,603,816	(4,394,873)	(153,763)	51,918,769

19 Counterparty exposure

The types of non-exchange traded derivatives held at the balance sheet date were forward foreign currency contracts, credit default swaps and interest rate swaps. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
Bank of America										
2022	108	5	–	–	–	–	–	–	–	113
2021	426	10	–	–	–	–	–	–	–	436
Barclays										
2022	–	(74)	–	–	–	–	–	–	–	(74)
2021	–	33	–	–	–	–	–	–	–	33
BNP Paribas										
2022	(23)	138	–	–	–	–	–	–	–	115
2021	(36)	451	–	–	–	–	–	–	–	415

Notes to the Accounts

For the year ended 31 December 2022 (continued)

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
Canadian Imperial Bank of Commerce										
2022	10	-	-	-	-	-	-	-	-	10
2021	27	-	-	-	-	-	-	-	-	27
Citigroup										
2022	(24)	(78)	-	-	-	-	-	-	-	(102)
2021	(2)	-	-	-	-	-	-	-	-	(2)
Credit Suisse										
2022	-	83	-	-	-	-	-	-	-	83
2021	-	397	-	-	-	-	-	-	-	397
Deutsche Bank										
2022	(14)	-	-	-	-	-	-	-	-	(14)
2021	28	-	-	-	-	-	-	-	-	28
Goldman Sachs										
2022	-	-	-	-	-	-	-	-	-	-
2021	(1)	-	-	-	-	-	-	-	-	(1)
J.P. Morgan										
2022	(85)	58	-	-	-	-	-	-	-	(27)
2021	81	58	-	-	-	-	-	-	-	139
Lloyds Bank										
2022	22	-	-	-	-	-	-	-	-	22
2021	(5)	-	-	-	-	-	-	-	-	(5)
Merrill Lynch										
2022	-	26	-	-	-	-	-	-	-	26
2021	-	-	-	-	-	-	-	-	-	-
Morgan Stanley										
2022	(2,156)	108	-	-	742	-	-	-	-	(1,306)
2021	(1,729)	261	-	-	557	-	-	-	-	(911)
Royal Bank of Canada										
2022	(1,479)	-	-	-	-	-	-	-	-	(1,479)
2021	-	-	-	-	-	-	-	-	-	-
State Street										
2022	(3)	-	-	-	-	-	-	-	-	(3)
2021	(61)	-	-	-	-	-	-	-	-	(61)
UBS										
2022	4,690	-	-	-	-	-	-	-	-	4,690
2021	15	-	-	-	-	-	-	-	-	15

The collateral held/(pledged) by the Fund on behalf of the counterparties at the balance sheet date was as follows:

Counterparty	2022 £000's	2021 £000's
BNP Paribas	-	(670)
Credit Suisse	-	(400)
J.P. Morgan	-	(260)
Morgan Stanley	538	(481)
Total	538	(1,811)

Notes to the Accounts

For the year ended 31 December 2022 (continued)

The nature of collateral held/(pledged) by the Fund on behalf of the counterparties at the balance sheet date was as follows:

	2022 £000's	2021 £000's
Cash	538	(1,811)
Total	538	(1,811)

20 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 December 2022, the price of each share class has changed as follows:

	Dealing price 21.4.23	Dealing price 30.12.22	% change
A Accumulation shares	173.80p	168.30p	3.27
A Income shares	78.15p	77.88p	0.35
C Accumulation shares	180.70p	174.70p	3.43
C Income shares	81.69p	81.31p	0.47
D Accumulation shares	62.90p	60.79p	3.47
D Income shares	42.16p	41.95p	0.50
L Accumulation shares	187.90p	181.60p	3.47
L Income shares	84.91p	84.48p	0.51
S Accumulation shares	182.40p	176.20p	3.52
S Income shares	43.51p	43.26p	0.58
Z Accumulation shares	62.39p	60.33p	3.41
Z Income shares	42.25p	42.05p	0.48

Distribution Tables

Interim distribution for the six months ended 30 June 2022

Group 1 Shares purchased prior to 1 January 2022

Group 2 Shares purchased on or after 1 January 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.8.22 per share	Distribution paid 31.8.21 per share
A Accumulation shares				
Group 1	4.2963p	-	4.2963p	3.8370p
Group 2	2.2321p	2.0642p	4.2963p	3.8370p
A Income shares				
Group 1	2.0422p	-	2.0422p	1.9066p
Group 2	0.7675p	1.2747p	2.0422p	1.9066p
C Accumulation shares				
Group 1	4.4462p	-	4.4462p	3.9548p
Group 2	2.4371p	2.0091p	4.4462p	3.9548p
C Income shares				
Group 1	2.1258p	-	2.1258p	1.9765p
Group 2	2.1258p	-	2.1258p	1.9765p
D Accumulation shares				
Group 1	1.5415p	-	1.5415p	1.3710p
Group 2	1.5415p	-	1.5415p	1.3710p
D Income shares				
Group 1	1.0955p	-	1.0955p	1.0170p
Group 2	1.0955p	-	1.0955p	1.0170p
L Accumulation shares				
Group 1	4.6194p	-	4.6194p	4.1048p
Group 2	2.4455p	2.1739p	4.6194p	4.1048p
L Income shares				
Group 1	2.2071p	-	2.2071p	2.0501p
Group 2	0.8572p	1.3499p	2.2071p	2.0501p
S Accumulation shares				
Group 1	4.4740p	-	4.4740p	3.9676p
Group 2	2.3197p	2.1543p	4.4740p	3.9676p
S Income shares				
Group 1	1.1284p	-	1.1284p	1.0460p
Group 2	0.5053p	0.6231p	1.1284p	1.0460p
Z Accumulation shares				
Group 1	1.5355p	-	1.5355p	1.3657p
Group 2	0.7755p	0.7600p	1.5355p	1.3657p
Z Income shares				
Group 1	1.0993p	-	1.0993p	1.0221p
Group 2	0.5756p	0.5237p	1.0993p	1.0221p

Distribution Tables

(continued)

Final distribution for the six months ended 31 December 2022

Group 1 Shares purchased prior to 1 July 2022

Group 2 Shares purchased on or after 1 July 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
A Accumulation shares				
Group 1	4.7819p	-	4.7819p	4.2046p
Group 2	2.0846p	2.6973p	4.7819p	4.2046p
A Income shares				
Group 1	2.2129p	-	2.2129p	2.0447p
Group 2	0.4816p	1.7313p	2.2129p	2.0447p
C Accumulation shares				
Group 1	4.9586p	-	4.9586p	4.3427p
Group 2	1.7760p	3.1826p	4.9586p	4.3427p
C Income shares				
Group 1	2.3081p	-	2.3081p	2.1240p
Group 2	2.3081p	-	2.3081p	2.1240p
D Accumulation shares				
Group 1	1.7190p	-	1.7190p	1.4950p
Group 2	1.7190p	-	1.7190p	1.4950p
D Income shares				
Group 1	1.1903p	-	1.1903p	1.0937p
Group 2	1.1903p	-	1.1903p	1.0937p
L Accumulation shares				
Group 1	5.1542p	-	5.1542p	4.5094p
Group 2	2.8255p	2.3287p	5.1542p	4.5094p
L Income shares				
Group 1	2.3977p	-	2.3977p	2.2042p
Group 2	1.0659p	1.3318p	2.3977p	2.2042p
S Accumulation shares				
Group 1	4.9971p	-	4.9971p	4.3632p
Group 2	2.3152p	2.6819p	4.9971p	4.3632p
S Income shares				
Group 1	1.2272p	-	1.2272p	1.1259p
Group 2	0.6788p	0.5484p	1.2272p	1.1259p
Z Accumulation shares				
Group 1	1.7124p	-	1.7124p	1.4997p
Group 2	0.8878p	0.8246p	1.7124p	1.4997p
Z Income shares				
Group 1	1.1936p	-	1.1936p	1.0983p
Group 2	0.8882p	0.3054p	1.1936p	1.0983p

Equalisation

Equalisation applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Securities Financing Transactions (unaudited)

The Fund has not engaged in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, these include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions, margin lending transactions and Total Return Swaps). Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the accounting year ended 31 December 2022.

Schroder European Sustainable Equity Fund

Fund Information

Investment objective and policy

Schroder European Sustainable Equity Fund (the 'Fund') aims to provide capital growth in excess of the FTSE World Series Europe ex UK (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of European companies, excluding the UK, which meet the Investment Manager's sustainability criteria.

The Fund is actively managed and invests at least 80% of its assets in a concentrated range of equity and equity related securities of European countries, excluding the UK, which meet the Investment Manager's sustainability criteria (please see the Fund Characteristics section of the prospectus for more details). The Fund typically holds 30 to 50 companies.

The Fund maintains a higher overall sustainability score than the FTSE World Series Europe ex UK (Gross Total Return) index, based on the Investment Manager's rating system. More details on the investment process used to achieve this can be found in the Fund Characteristics section of the prospectus.

The Fund does not invest in certain activities, industries or groups of issuers above certain limits listed under "Exclusion thresholds" in the Fund Characteristics section of the prospectus.

The Fund invests in companies that have good governance practices, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section of the prospectus for more details).

The Fund may invest in companies that the Investment Manager believes will improve their sustainability practices within a reasonable timeframe, typically up to three years.

The Investment Manager may also engage with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <https://www.schroders.com/en/uk/private-investor/strategic-capabilities/sustainability/>.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries (including the UK), regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim reducing risk or managing the Fund more efficiently (for more information please refer to Appendix III. Section 10: Derivatives and Forwards of the Prospectus).

Fund characteristics

The Fund's performance should be assessed against the target benchmark, being to exceed the FTSE World Series Europe ex UK (Gross Total Return) index, and compared against the Investment Association Europe ex UK sector average return. The Investment Adviser invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Adviser and the ACD believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Review of Investment Activities

From 31 December 2021 to 30 December 2022, the price of Z Accumulation shares on a dealing price basis fell 11.26%. In the same period, the FTSE¹ World Series Europe ex UK Index generated a negative total return of 6.98%² in sterling terms.

The Fund has a sustainable approach at its core, striving to have a positive influence on both society and corporate behaviour while aiming to deliver attractive returns for investors. The portfolio manager seeks to identify undervalued sustainable businesses by embedding sophisticated ESG (environmental, social, governance) analysis in their well-established fundamental investment process.

European shares declined in 2022. Rising inflation saw the European Central Bank raise interest rates from the previous ultra-low levels. Russia's invasion of Ukraine in February contributed to the higher inflation. It also led to concerns over potential energy shortages in countries previously reliant on Russian natural gas. The uncertain market backdrop saw small and midcap companies tend to underperform more stable larger firms.

Against this backdrop, the Fund underperformed the index. Worries about recession risk and the outlook for consumer spending weighed on some growth-oriented consumer holdings, especially those in the small and midcap part of the market. These included retailer About You (which we have exited) and streaming provider Viaplay Group (formerly Nordic Entertainment Group).

Among industrials, Kion Group weighed on Fund performance. It continues to suffer from cyclical weakness and supply chain pressures. For the warehouse automation business in particular, Kion will need to work through its order backlog and review the cost increases that have occurred. This may take some time, which makes it hard to assess the impact on profitability. We have sold the position.

On the positive side, the leading individual contributor was Bank of Ireland. It benefited from the rising interest rate environment and reduced competitive intensity in Ireland after a competitor exited the market.

Among portfolio changes, we initiated new positions in pharmaceutical groups Novartis and Novo Nordisk. Another new position is aluminium producer Norsk Hydro. Aluminium production is very energy intensive business but Norsk Hydro's smelters use hydro power, which makes it a much lower emission business than its peers. We sold out of Volkswagen after the initial public offering of the Porsche cars brand did not resolve governance issues as hoped.

Our Blend approach means we are not relying on taking large style or factor bets, but focus instead on individual mispriced opportunities while retaining diversification.

Fund Manager:

Nicholette MacDonald-Brown



Head of the European Blend Team

Nicholette is responsible for the management of the Schroder ISF European Large Cap and is co-manager for the Schroder European Sustainable Equity Fund, Schroder ISF European Sustainable Equity, Schroder ISF Sustainable European Market Neutral and Schroder ISF European Dividend Maximiser

Joined Schroders in August 2011

Previously spent 11 years at Goldman Sachs. Responsible for number of sectors for Goldman Sachs Investment Partners, a global multi asset class hedge fund. Former roles included research and portfolio management responsibilities for Global, EAFE and single country products, and Co-Head of the UK and European Small Cap Equity Team

Degree in Economics and Politics from Bristol University

Chartered Financial Analyst

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² Source: Refinitiv Eikon Datastream.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Risk Profile

Risk and reward indicator



The risk category was calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Comparative Table

Financial year to 31 December	A Accumulation shares			A Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	238.01	210.01	241.38	175.71	157.31	185.66
Return before operating charges*	(27.35)	31.90	(28.06)	(20.23)	23.80	(21.85)
Operating charges	(3.56)	(3.90)	(3.31)	(2.59)	(2.91)	(2.71)
Return after operating charges*	(30.91)	28.00	(31.37)	(22.82)	20.89	(24.56)
Distributions**	(5.39)	(3.23)	(4.97)	(3.98)	(2.49)	(3.79)
Retained distributions**	5.39	3.23	4.97	-	-	-
Closing net asset value	207.10	238.01	210.01	148.91	175.71	157.31
*after direct transaction costs of	(0.08)	(0.34)	(0.49)	(0.06)	(0.25)	(0.40)
Performance						
Return after charges (%)	(12.99)	13.33	(13.00)	(12.99)	13.28	(13.23)
Other information						
Closing net asset value (£000's)	1,064	1,622	3,231	156	221	207
Closing number of shares	513,736	681,509	1,538,215	104,994	126,101	131,286
Operating charges (%)	1.67	1.67	1.69	1.67	1.67	1.69
Direct transaction costs (%)***	0.04	0.15	0.25	0.04	0.15	0.25
Prices						
Highest dealing price	239.50p	251.20p	244.64p	176.80p	185.50p	188.19p
Lowest dealing price	184.50p	206.00p	145.50p	132.50p	154.30p	111.93p

Comparative Table (continued)

Financial year to 31 December	C Accumulation shares			C Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	248.92	217.99	248.80	185.35	164.69	193.06
Return before operating charges*	(26.55)	33.21	(28.73)	(20.11)	24.97	(21.99)
Operating charges	(2.12)	(2.28)	(2.08)	(1.55)	(1.70)	(1.85)
Return after operating charges*	(28.67)	30.93	(30.81)	(21.66)	23.27	(23.84)
Distributions**	(5.69)	(3.45)	(5.16)	(4.21)	(2.61)	(4.53)
Retained distributions**	5.69	3.45	5.16	-	-	-
Closing net asset value	220.25	248.92	217.99	159.48	185.35	164.69
*after direct transaction costs of	(0.09)	(0.35)	(0.51)	(0.06)	(0.26)	(0.40)
Performance						
Return after charges (%)	(11.52)	14.19	(12.38)	(11.69)	14.13	(12.35)
Other information						
Closing net asset value (£000's)	214	233	340	40	47	78
Closing number of shares	97,128	93,531	155,976	25,131	25,131	47,119
Operating charges (%)	0.92	0.92	0.95	0.92	0.92	0.95
Direct transaction costs (%)***	0.04	0.15	0.25	0.04	0.15	0.25
Prices						
Highest dealing price	250.50p	262.50p	252.21p	186.50p	195.50p	195.72p
Lowest dealing price	194.10p	214.10p	150.13p	140.60p	161.80p	116.51p

Comparative Table (continued)

Financial year to 31 December	GBP Hedged C Income shares			GBP Hedged S Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	192.38	157.96	197.60	179.60	157.94	199.67
Return before operating charges*	(28.13)	38.81	(34.04)	(23.76)	25.17	(36.38)
Operating charges	(1.70)	(1.73)	(1.57)	(0.98)	(1.04)	(1.44)
Return after operating charges*	(29.83)	37.08	(35.61)	(24.74)	24.13	(37.82)
Distributions**	(4.39)	(2.66)	(4.03)	(4.41)	(2.47)	(3.91)
Closing net asset value	158.16	192.38	157.96	150.45	179.60	157.94
*after direct transaction costs of	(0.07)	(0.26)	(0.38)	(0.06)	(0.25)	(0.42)
Performance						
Return after charges (%)	(15.51)	23.47	(18.02)	(13.78)	15.28	(18.94)
Other information						
Closing net asset value (£000's)	10	37	99	35	41	115
Closing number of shares	6,600	19,278	62,810	23,051	23,051	73,051
Operating charges (%)	0.96	0.96	0.95	0.58	0.58	0.85
Direct transaction costs (%)***	0.04	0.15	0.25	0.04	0.15	0.25
Prices						
Highest dealing price	194.70p	200.40p	200.27p	181.80p	187.00p	202.40p
Lowest dealing price	141.50p	159.90p	110.56p	132.60p	152.30p	111.85p

Comparative Table (continued)

Financial year to 31 December	GBP Hedged Z Income shares			L Accumulation shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	191.89	158.53	197.75	85.18	74.55	84.98
Return before operating charges*	(26.36)	37.72	(33.83)	(9.45)	11.35	(9.82)
Operating charges	(1.68)	(1.78)	(1.50)	(0.68)	(0.72)	(0.61)
Return after operating charges*	(28.04)	35.94	(35.33)	(10.13)	10.63	(10.43)
Distributions**	(4.35)	(2.58)	(3.89)	(1.94)	(1.16)	(1.75)
Retained distributions**	-	-	-	1.94	1.16	1.75
Closing net asset value	159.50	191.89	158.53	75.05	85.18	74.55
*after direct transaction costs of	(0.07)	(0.27)	(0.39)	(0.03)	(0.12)	(0.17)
Performance						
Return after charges (%)	(14.61)	22.67	(17.87)	(11.89)	14.26	(12.27)
Other information						
Closing net asset value (£000's)	1,639	3,252	4,866	3,152	7,478	17,670
Closing number of shares	1,027,455	1,694,638	3,069,450	4,199,432	8,778,979	23,702,032
Operating charges (%)	0.96	0.96	0.95	0.85	0.85	0.87
Direct transaction costs (%)***	0.04	0.15	0.25	0.04	0.15	0.25
Prices						
Highest dealing price	194.20p	199.90p	200.54p	85.73p	89.82p	86.16p
Lowest dealing price	141.30p	160.40p	110.55p	66.46p	73.24p	51.32p

Comparative Table (continued)

Financial year to 31 December	L Income shares			Q2 Accumulation shares ¹	Q2 Income shares ²
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2022 pence per share
Change in net asset value					
Opening net asset value	66.83	59.33	69.46	50.00	50.00
Return before operating charges*	(7.46)	9.00	(8.17)	(3.57)	(3.79)
Operating charges	(0.52)	(0.57)	(0.54)	(0.22)	(0.25)
Return after operating charges*	(7.98)	8.43	(8.71)	(3.79)	(4.04)
Distributions**	(1.51)	(0.93)	(1.42)	(1.52)	(1.31)
Retained distributions**	-	-	-	1.52	-
Closing net asset value	57.34	66.83	59.33	46.21	44.65
*after direct transaction costs of	(0.02)	(0.10)	(0.15)	(0.02)	(0.02)
Performance					
Return after charges (%)	(11.94)	14.21	(12.54)	(7.58)	(8.08)
Other information					
Closing net asset value (£000's)	2,776	6,309	10,123	2,381	1
Closing number of shares	4,841,229	9,439,607	17,061,923	5,151,474	3,000
Operating charges (%)	0.85	0.85	0.87	0.45	0.45
Direct transaction costs (%)***	0.04	0.15	0.25	0.04	0.04
Prices					
Highest dealing price	67.26p	70.47p	70.42p	50.04p	50.04p
Lowest dealing price	50.73p	58.30p	41.95p	40.42p	39.30p

Comparative Table (continued)

Financial year to 31 December	S Accumulation shares			S Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	254.09	221.71	252.00	64.47	57.03	66.56
Return before operating charges*	(25.99)	33.78	(29.05)	(6.81)	8.66	(7.83)
Operating charges	(1.35)	(1.40)	(1.24)	(0.34)	(0.36)	(0.33)
Return after operating charges*	(27.34)	32.38	(30.29)	(7.15)	8.30	(8.16)
Distributions**	(6.89)	(2.64)	(5.22)	(1.60)	(0.86)	(1.37)
Retained distributions**	6.89	2.64	5.22	-	-	-
Closing net asset value	226.75	254.09	221.71	55.72	64.47	57.03
*after direct transaction costs of	(0.09)	(0.35)	(0.54)	(0.02)	(0.09)	(0.14)
Performance						
Return after charges (%)	(10.76)	14.60	(12.02)	(11.09)	14.55	(12.26)
Other information						
Closing net asset value (£000's)	29	19	54	388	449	867
Closing number of shares	12,654	7,314	24,492	697,165	697,165	1,520,549
Operating charges (%)	0.55	0.55	0.57	0.55	0.55	0.57
Direct transaction costs (%)***	0.04	0.15	0.25	0.04	0.15	0.25
Prices						
Highest dealing price	255.70p	267.80p	255.51p	64.89p	67.96p	67.49p
Lowest dealing price	198.70p	217.90p	152.26p	49.04p	56.06p	40.22p

Comparative Table (continued)

Financial year to 31 December	Z Accumulation shares			Z Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	255.80	224.03	255.58	189.06	167.98	196.78
Return before operating charges*	(27.47)	34.11	(29.57)	(21.40)	25.48	(23.23)
Operating charges	(2.17)	(2.34)	(1.98)	(1.61)	(1.75)	(1.53)
Return after operating charges*	(29.64)	31.77	(31.55)	(23.01)	23.73	(24.76)
Distributions**	(5.77)	(3.55)	(5.27)	(4.29)	(2.65)	(4.04)
Retained distributions**	5.77	3.55	5.27	-	-	-
Closing net asset value	226.16	255.80	224.03	161.76	189.06	167.98
*after direct transaction costs of	(0.09)	(0.36)	(0.52)	(0.07)	(0.27)	(0.40)
Performance						
Return after charges (%)	(11.59)	14.18	(12.34)	(12.17)	14.13	(12.58)
Other information						
Closing net asset value (£000's)	17,549	22,337	32,754	7,174	24,242	32,117
Closing number of shares	7,759,570	8,732,115	14,620,359	4,434,931	12,822,330	19,120,073
Operating charges (%)	0.92	0.92	0.95	0.92	0.92	0.95
Direct transaction costs (%)***	0.04	0.15	0.25	0.04	0.15	0.25
Prices						
Highest dealing price	257.50p	269.80p	259.10p	190.30p	199.40p	199.52p
Lowest dealing price	199.50p	220.10p	154.30p	143.40p	165.00p	118.82p

** These figures have been rounded to 2 decimal places.

*** Direct transaction costs have been stated after deducting the proportion of the amounts collected from dilution adjustments.

1 Q2 Accumulation shares launched on 11 January 2022.

2 Q2 Income shares launched on 11 January 2022.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Statement

	Holding at 31.12.22	Market Value £000's	% of net assets
Equities 90.04% (94.38%)			
Belgium 2.11% (2.98%)			
Azelis Group	32,857	771	2.11
		771	2.11
Denmark 4.16% (0.00%)			
Novo Nordisk B	13,586	1,522	4.16
		1,522	4.16
Finland 5.51% (4.58%)			
Neste	27,955	1,070	2.92
Outokumpu	225,005	947	2.59
		2,017	5.51
France 12.80% (13.52%)			
Antin Infrastructure Partners	30,173	541	1.48
Capgemini	3,956	547	1.49
Carrefour	73,138	1,014	2.77
Sanofi	17,233	1,374	3.75
SPIE	29,793	643	1.76
Worldline	17,514	566	1.55
		4,685	12.80
Germany 14.03% (26.48%)			
Beiersdorf	10,844	1,030	2.81
Covestro	22,222	722	1.97
SAP	15,138	1,294	3.54
Siemens	13,875	1,593	4.35
Software	23,149	496	1.36
		5,135	14.03
Ireland 3.24% (1.85%)			
Bank of Ireland Group	150,908	1,185	3.24
		1,185	3.24
Italy 6.69% (6.13%)			
Intesa Sanpaolo	561,307	1,035	2.83
Moncler	25,185	1,102	3.01
Prysmian	10,171	313	0.85
		2,450	6.69
Luxembourg 0.97% (1.91%)			
SUSE	23,616	355	0.97
		355	0.97
Netherlands 9.50% (10.74%)			
ASM International	3,202	669	1.83
CNH Industrial	60,887	809	2.21
Koninklijke KPN	360,340	924	2.52
Stellantis	91,478	1,077	2.94
		3,479	9.50

	Holding at 31.12.22	Market Value £000's	% of net assets
Norway 3.72% (0.00%)			
Mowi	49,046	692	1.89
Norsk Hydro	108,521	671	1.83
		1,363	3.72
Portugal 3.36% (2.52%)			
EDP - Energias de Portugal	298,366	1,232	3.36
		1,232	3.36
Sweden 11.62% (13.41%)			
AAK	25,617	365	1.00
Holmen B	25,087	832	2.27
Skandinaviska Enskilda Banken A	100,501	960	2.62
SKF B	66,036	839	2.29
Svenska Handelsbanken A	99,420	834	2.28
Viaplay Group B	26,874	425	1.16
		4,255	11.62
Switzerland 12.33% (10.26%)			
Alcon	6,191	351	0.96
Nestle	15,998	1,540	4.21
Novartis	24,373	1,831	5.00
Swiss Re	10,179	791	2.16
		4,513	12.33
Equities total		32,962	90.04
Forward Foreign Currency Contracts (0.06%) (0.06%)			
Buy CHF 1 Sell GBP 1 31/01/2023		0	0.00
Buy DKK 3 Sell GBP 0 31/01/2023		0	0.00
Buy EUR 6 Sell GBP 5 31/01/2023		0	0.00
Buy NOK 3 Sell GBP 0 31/01/2023		0	0.00
Buy SEK 5,260 Sell GBP 418 31/01/2023		0	0.00
Sell CHF 250,383 Buy GBP 223,569 31/01/2023		(2)	(0.01)
Sell DKK 633,887 Buy GBP 74,726 31/01/2023		(1)	0.00
Sell EUR 1,239,156 Buy GBP 1,085,569 31/01/2023		(15)	(0.04)
Sell NOK 797,773 Buy GBP 66,735 31/01/2023		(1)	0.00
Sell SEK 2,670,105 Buy GBP 211,547 31/01/2023		(2)	(0.01)
Forward Foreign Currency Contracts total		(21)	(0.06)
Portfolio of investments		32,941	89.98
Net other assets		3,667	10.02
Net assets attributable to shareholders		36,608	100.00

The comparative percentage figures in brackets are as at 31 December 2021.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

Statement of Total Return

For the year ended 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Income					
Net capital (losses)/gains	2		(9,115)		11,443
Revenue	3	1,214		1,673	
Expenses	4	(438)		(786)	
Net revenue before taxation		776		887	
Taxation	5	290		(412)	
Net revenue after taxation			1,066		475
Total return before distributions			(8,049)		11,918
Distributions	6		(1,198)		(1,261)
Change in net assets attributable to shareholders from investment activities			(9,247)		10,657

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	2022		2021	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		66,287		102,521
Amounts receivable on issue of shares	10,612		6,188	
Amounts payable on cancellation of shares	(31,840)		(53,625)	
		(21,228)		(47,437)
Dilution adjustment		19		10
Change in net assets attributable to shareholders from investment activities		(9,247)		10,657
Retained distribution on Accumulation shares		777		536
Closing net assets attributable to shareholders		36,608		66,287

Balance Sheet

As at 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Assets					
Investments			32,962		62,604
Current assets					
Debtors	8		2,497		2,892
Cash and bank balances			1,250		979
Total assets			36,709		66,475
Liabilities					
Investment liabilities			(21)		(1)
Creditors					
Distributions payable			(1)		-
Other creditors	9		(79)		(187)
Total liabilities			(101)		(188)
Net assets attributable to shareholders			36,608		66,287

Notes to the Accounts

For the year ended 31 December 2022

1 Accounting policies

Basis of preparation

The applicable accounting policies adopted by Schroder European Sustainable Equity Fund are disclosed on pages 9 to 10.

2 Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	2022	2021
	£000's	£000's
Non-derivative securities	(9,103)	11,165
Forward foreign currency contracts	(33)	329
Foreign currency gains/(losses)	21	(41)
Transaction costs	-	(10)
Net capital (losses)/gains	(9,115)	11,443

3 Revenue

	2022	2021
	£000's	£000's
UK dividends	-	18
Overseas dividends	1,213	1,653
Bank interest	1	2
Total revenue	1,214	1,673

4 Expenses

	2022	2021
	£000's	£000's
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director fee	-	119
Administration charge	-	24
Schroders Annual Charge ^{1,2}	406	608
	406	751
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	-	1
Safe custody fees	-	(6)
	-	(5)
Other expenses:		
Professional fee	28	29
Interest payable	4	11
	32	40
Total expenses	438	786

1 Fees such as the Authorised Corporate Director fee, Administration fee, Depositary fee were paid separately to 28 February 2021. From 1 March 2021 these fees were replaced with the Schroders Annual Charge.

2 Audit fees including VAT for the financial year ending 2022 were £8,582 (2021 - £8,582).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

5 Taxation

Corporation tax has not been provided for as expenses payable by the Fund exceed the revenue liable to corporation tax.

(a) Analysis of the tax charge for the year

	2022	2021
	£000's	£000's
Overseas withholding tax	(290)	412
Total current tax (Note 5(b))	(290)	412

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for Open Ended Investment Companies of 20% (2021 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2022	2021
	£000's	£000's
Net revenue before taxation	776	887
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	155	177
Effects of:		
Revenue not subject to corporation tax	(229)	(334)
Movement in excess management expenses	76	155
Overseas withholding tax	(290)	412
Expensed withholding tax incurred	(2)	-
Loan relationship deficit	-	2
Current tax charge for the year (Note 5(a))	(290)	412

(c) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £9,140,356 (2021 – £9,064,635) in respect of unutilised management expenses and loan relationship debits. It is unlikely the Company will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year.

6 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2022	2021
	£000's	£000's
Quarterly Dividend distribution	317	-
Interim Dividend distribution	858	949
Quarterly Dividend distribution	103	147
Final Dividend distribution	16	-
	1,294	1,096
Add: Revenue deducted on cancellation of shares	38	177
Deduct: Revenue received on issue of shares	(134)	(12)
Distributions	1,198	1,261
Net revenue after taxation	1,066	475
Expenses taken to capital	-	746
Deficit taken to capital	132	40
Distributions	1,198	1,261

Details of the distributions per share are set out in the Distribution Tables on pages 167 to 171.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

7 Fair value hierarchy

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Basis of valuation	2022		2021	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	32,962	-	62,562	-
Level 2: Observable market data	-	(21)	42	(1)
Level 3: Unobservable data	-	-	-	-
Total	32,962	(21)	62,604	(1)

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Authorised Corporate Director has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Authorised Corporate Director of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Authorised Corporate Director with particular attention paid to the carrying value of the investments.

8 Debtors

	2022	2021
	£000's	£000's
Amounts receivable for issue of shares	37	15
Overseas withholding tax recoverable	2,460	2,877
Total debtors	2,497	2,892

9 Other creditors

	2022	2021
	£000's	£000's
Amounts payable for cancellation of shares	52	135
Accrued expenses	27	52
Total other creditors	79	187

10 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2021 – Nil).

11 Related party transactions

The Authorised Corporate Director provides key management personnel services for the Fund and is therefore considered a related party.

Amounts paid during the year or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies paid through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 23.24% (2021 – 2.39%).

12 Share classes

At the reporting date the Fund had fifteen share classes. The costs and expenses due to the Manager are referred to as the Schroders Annual Charge. Details of the charges applied to each share class can be found in the prospectus.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on pages 152 to 158.

The distributions per share class are given in the Distribution Tables on pages 167 to 171.

All classes have the same rights on winding up.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

13 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity and interest rate risks. The Authorised Corporate Director's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £3,294,100 (2021 - £6,260,300).

Foreign currency risk

Where a portion of the net assets of the Fund are denominated in currencies other than sterling the balance sheet and total return can be affected by currency movements. Therefore the Authorised Corporate Director may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the Fund's exposure to currency risk is reduced.

Revenue received in other currencies is translated to sterling on or near the date of receipt. The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Currency risk profile

The currency risk profile of the Fund's net assets and liabilities at the balance sheet date was as follows:

Currency	2022 £000's	2021 £000's
Danish krone	1,693	610
Euro	23,256	45,760
Norwegian krone	1,296	-
Sterling	2,034	3,678
Swedish krona	4,042	9,798
Swiss franc	4,287	6,441

At the year end date, if the value of Sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £3,457,400 (2021 - £6,260,900).

Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the Collective Investment Schemes sourcebook.

Interest rate risk

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

Interest receivable on bank deposits positions will be affected by fluctuations in interest rates.

At the year end date 3.42% (2021 - 1.48%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average Rate. Foreign currency bank balances bear interest at rates based on the Sterling Overnight Index Average Rate or its international equivalent.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Global risk exposure

Commitment approach

When using derivatives, the Authorised Corporate Director uses a risk management process that enables it to monitor the risk of a Fund's derivative positions. The global risk exposure of a Fund is calculated daily either by means of the commitment approach or the Value-at-Risk (VaR) approach.

Under the commitment approach, the global risk exposure is defined as the underlying market value of derivatives, after netting and hedging as permitted by the regulation, not exceeding the Net Asset Value of a Fund. This is typically used on Funds where derivative usage is low or Funds which limit their derivatives commitment to 100% or less of their Net Asset Value.

The global risk exposure of the Fund is calculated using the commitment approach. During the year ended 31 December 2022 the global risk exposure of the Fund did not exceed 100% of its Net Asset Value. The lowest, highest, average and actual level of leverage for the Fund as at the balance sheet date was as follows:

Leverage

2022				2021			
Lowest	Highest	Average	Leverage 31 December	Lowest	Highest	Average	Leverage 31 December
0.00%	12.57%	0.26%	0.00%	0.00%	7.21%	0.18%	0.00%

Notes to the Accounts

For the year ended 31 December 2022 (continued)

14 Direct transaction costs

In the case of shares, broker commissions and transfer taxes/stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	21,649	6	11	21,666	0.03	0.05
Sales						
Equities	42,188	(11)	-	42,177	(0.03)	-
Total cost of the Fund's average net asset value (%)		0.04	0.02			

2021	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	92,615	24	61	92,700	0.03	0.07
Sales						
Equities	138,956	(40)	-	138,916	(0.03)	-
Total cost of the Fund's average net asset value (%)		0.08	0.07			

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.11% (2021 – 0.11%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

15 Shares in issue reconciliation

	Number of shares in issue 31.12.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 31.12.22
A Accumulation shares	681,509	18,722	(177,745)	(8,750)	513,736
A Income shares	126,101	6,473	(23,328)	(4,252)	104,994
C Accumulation shares	93,531	1,539	(2)	2,060	97,128
C Income shares	25,131	-	-	-	25,131
GBP Hedged C Income shares	19,278	-	(12,678)	-	6,600
GBP Hedged S Income shares	23,051	-	-	-	23,051
GBP Hedged Z Income shares	1,694,638	10,681	(677,864)	-	1,027,455
L Accumulation shares	8,778,979	54,549	(4,690,149)	56,053	4,199,432
L Income shares	9,439,607	56,804	(4,670,101)	14,919	4,841,229
Q2 Accumulation shares	-	5,488,273	(336,799)	-	5,151,474
Q2 Income shares	-	3,000	-	-	3,000
S Accumulation shares	7,314	79	-	5,261	12,654
S Income shares	697,165	-	-	-	697,165
Z Accumulation shares	8,732,115	3,647,464	(4,604,188)	(15,821)	7,759,570
Z Income shares	12,822,330	225,597	(8,608,852)	(4,144)	4,434,931

Notes to the Accounts

For the year ended 31 December 2022 (continued)

16 Counterparty exposure

The types of non-exchange traded derivatives held at the balance sheet date were forward foreign currency contracts. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
HSBC										
2022	(21)	-	-	-	-	-	-	-	-	(21)
2021	41	-	-	-	-	-	-	-	-	41

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

17 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 December 2022, the price of each share class has changed as follows:

	Dealing price 21.4.23	Dealing price 30.12.22	% change
A Accumulation shares	228.30p	209.70p	8.87
A Income shares	163.50p	150.60p	8.57
C Accumulation shares	241.10p	220.90p	9.14
C Income shares	174.70p	160.00p	9.19
GBP Hedged C Income shares	177.10p	160.90p	10.07
GBP Hedged S Income shares	165.80p	150.90p	9.87
GBP Hedged Z Income shares	176.80p	160.60p	10.09
L Accumulation shares	82.59p	75.66p	9.16
L Income shares	62.73p	57.75p	8.62
Q2 Accumulation shares	50.34p	46.06p	9.29
Q2 Income shares	48.49p	44.78p	8.28
S Accumulation shares	247.30p	226.40p	9.23
S Income shares	60.61p	55.87p	8.48
Z Accumulation shares	247.80p	227.00p	9.16
Z Income shares	177.30p	163.30p	8.57

Distribution Tables

Quarterly distribution for the three months ended 31 March 2022

Group 1 Shares purchased prior to 1 January 2022

Group 2 Shares purchased on or after 1 January 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.5.22 per share	Distribution paid 31.5.21 per share
A Accumulation shares				
Group 1	1.4109p	-	1.4109p	-
Group 2	0.9774p	0.4335p	1.4109p	-
A Income shares				
Group 1	1.0380p	-	1.0380p	-
Group 2	0.9289p	0.1091p	1.0380p	-
C Accumulation shares				
Group 1	1.4801p	-	1.4801p	-
Group 2	0.9361p	0.5440p	1.4801p	-
C Income shares				
Group 1	1.1018p	-	1.1018p	-
Group 2	1.1018p	-	1.1018p	-
GBP Hedged C Income shares				
Group 1	1.1555p	-	1.1555p	-
Group 2	1.1555p	-	1.1555p	-
GBP Hedged S Income shares				
Group 1	1.0801p	-	1.0801p	-
Group 2	1.0801p	-	1.0801p	-
GBP Hedged Z Income shares				
Group 1	1.1520p	-	1.1520p	-
Group 2	0.7183p	0.4337p	1.1520p	-
L Accumulation shares				
Group 1	0.5061p	-	0.5061p	-
Group 2	0.3783p	0.1278p	0.5061p	-
L Income shares				
Group 1	0.3972p	-	0.3972p	-
Group 2	0.3214p	0.0758p	0.3972p	-
S Accumulation shares				
Group 1	1.5119p	-	1.5119p	-
Group 2	1.5119p	-	1.5119p	-
S Income shares				
Group 1	0.3836p	-	0.3836p	-
Group 2	0.3836p	-	0.3836p	-
Z Accumulation shares				
Group 1	1.5188p	-	1.5188p	-
Group 2	1.2438p	0.2750p	1.5188p	-
Z Income shares				
Group 1	1.1236p	-	1.1236p	-
Group 2	0.9658p	0.1578p	1.1236p	-

Distribution Tables

(continued)

Quarterly distribution for the period ended 31 March 2022

Group 1 Shares purchased on 11 January 2022

Group 2 Shares purchased after 11 January 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.5.22 per share
Q2 Accumulation shares			
Group 1	0.3218p	-	0.3218p
Group 2	0.1738p	0.1480p	0.3218p
Q2 Income shares			
Group 1	0.3230p	-	0.3230p
Group 2	0.3230p	-	0.3230p

Interim distribution for the three months ended 30 June 2022

Group 1 Shares purchased prior to 1 April 2022

Group 2 Shares purchased on or after 1 April 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.8.22 per share	Distribution paid 31.8.21 per share
A Accumulation shares				
Group 1	3.4443p	-	3.4443p	2.7470p
Group 2	2.8869p	0.5574p	3.4443p	2.7470p
A Income shares				
Group 1	2.5421p	-	2.5421p	2.1274p
Group 2	0.3089p	2.2332p	2.5421p	2.1274p
C Accumulation shares				
Group 1	3.6352p	-	3.6352p	2.9458p
Group 2	3.6352p	-	3.6352p	2.9458p
C Income shares				
Group 1	2.6881p	-	2.6881p	2.2332p
Group 2	2.6881p	-	2.6881p	2.2332p
GBP Hedged C Income shares				
Group 1	2.7989p	-	2.7989p	2.2719p
Group 2	2.7989p	-	2.7989p	2.2719p
GBP Hedged S Income shares				
Group 1	2.6164p	-	2.6164p	2.1059p
Group 2	2.6164p	-	2.6164p	2.1059p
GBP Hedged Z Income shares				
Group 1	2.7794p	-	2.7794p	2.1907p
Group 2	1.3218p	1.4576p	2.7794p	2.1907p
L Accumulation shares				
Group 1	1.2397p	-	1.2397p	0.9907p
Group 2	0.7686p	0.4711p	1.2397p	0.9907p
L Income shares				
Group 1	0.9691p	-	0.9691p	0.7960p
Group 2	0.4254p	0.5437p	0.9691p	0.7960p

Distribution Tables

(continued)

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.8.22 per share	Distribution paid 31.8.21 per share
Q2 Accumulation shares				
Group 1	0.7723p	-	0.7723p	-
Group 2	0.2005p	0.5718p	0.7723p	-
Q2 Income shares				
Group 1	0.7380p	-	0.7380p	-
Group 2	0.7380p	-	0.7380p	-
S Accumulation shares				
Group 1	3.7162p	-	3.7162p	2.1229p
Group 2	3.7162p	-	3.7162p	2.1229p
S Income shares				
Group 1	0.9364p	-	0.9364p	0.7282p
Group 2	0.9364p	-	0.9364p	0.7282p
Z Accumulation shares				
Group 1	3.7014p	-	3.7014p	3.0264p
Group 2	0.0978p	3.6036p	3.7014p	3.0264p
Z Income shares				
Group 1	2.7403p	-	2.7403p	2.2649p
Group 2	0.9415p	1.7988p	2.7403p	2.2649p

Quarterly distribution for the three months ended 30 September 2022

Group 1 Shares purchased prior to 1 July 2022

Group 2 Shares purchased on or after 1 July 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 30.11.22 per share	Distribution paid 30.11.21 per share
A Accumulation shares				
Group 1	0.5337p	-	0.5337p	0.4839p
Group 2	0.3965p	0.1372p	0.5337p	0.4839p
A Income shares				
Group 1	0.3970p	-	0.3970p	0.3585p
Group 2	0.3336p	0.0634p	0.3970p	0.3585p
C Accumulation shares				
Group 1	0.5791p	-	0.5791p	0.5047p
Group 2	0.5791p	-	0.5791p	0.5047p
C Income shares				
Group 1	0.4223p	-	0.4223p	0.3775p
Group 2	0.4223p	-	0.4223p	0.3775p
GBP Hedged C Income shares				
Group 1	0.4335p	-	0.4335p	0.3874p
Group 2	0.4335p	-	0.4335p	0.3874p
GBP Hedged S Income shares				
Group 1	0.4056p	-	0.4056p	0.3613p
Group 2	0.4056p	-	0.4056p	0.3613p

Distribution Tables

(continued)

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 30.11.22 per share	Distribution paid 30.11.21 per share
GBP Hedged Z Income shares				
Group 1	0.4142p	-	0.4142p	0.3861p
Group 2	0.3442p	0.0700p	0.4142p	0.3861p
L Accumulation shares				
Group 1	0.1925p	-	0.1925p	0.1726p
Group 2	0.1768p	0.0157p	0.1925p	0.1726p
L Income shares				
Group 1	0.1476p	-	0.1476p	0.1359p
Group 2	0.1059p	0.0417p	0.1476p	0.1359p
Q2 Accumulation shares				
Group 1	0.1270p	-	0.1270p	-
Group 2	0.0948p	0.0322p	0.1270p	-
Q2 Income shares				
Group 1	0.1140p	-	0.1140p	-
Group 2	0.1140p	-	0.1140p	-
S Accumulation shares				
Group 1	0.5929p	-	0.5929p	0.5143p
Group 2	0.5929p	-	0.5929p	0.5143p
S Income shares				
Group 1	0.1472p	-	0.1472p	0.1310p
Group 2	0.1472p	-	0.1472p	0.1310p
Z Accumulation shares				
Group 1	0.5488p	-	0.5488p	0.5186p
Group 2	0.4515p	0.0973p	0.5488p	0.5186p
Z Income shares				
Group 1	0.4219p	-	0.4219p	0.3847p
Group 2	0.2970p	0.1249p	0.4219p	0.3847p

Final distribution for the three months ended 31 December 2022

Group 1 Shares purchased prior to 1 October 2022

Group 2 Shares purchased on or after 1 October 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
A Accumulation shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
A Income shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
C Accumulation shares				
Group 1	-	-	-	-
Group 2	-	-	-	-

Distribution Tables

(continued)

Final distribution for the three months ended 31 December 2022

Group 1 Shares purchased prior to 1 October 2022

Group 2 Shares purchased on or after 1 October 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
C Income shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
GBP Hedged C Income shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
GBP Hedged S Income shares				
Group 1	0.3109p	-	0.3109p	-
Group 2	0.3109p	-	0.3109p	-
GBP Hedged Z Income shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
L Accumulation shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
L Income shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
Q2 Accumulation shares				
Group 1	0.2948p	-	0.2948p	-
Group 2	0.2876p	0.0072p	0.2948p	-
Q2 Income shares				
Group 1	0.1310p	-	0.1310p	-
Group 2	0.1310p	-	0.1310p	-
S Accumulation shares				
Group 1	1.0658p	-	1.0658p	-
Group 2	1.0658p	-	1.0658p	-
S Income shares				
Group 1	0.1356p	-	0.1356p	-
Group 2	0.1356p	-	0.1356p	-
Z Accumulation shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
Z Income shares				
Group 1	-	-	-	-
Group 2	-	-	-	-

Equalisation

Equalisation applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Schroder Global Recovery Fund

Fund Information

Investment objective and policy

Schroder Global Recovery Fund (the 'Fund') aims to provide capital growth in excess of the MSCI World (Net Total Return) Index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of companies worldwide which are considered to be undervalued relative to their long term earnings potential.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of companies worldwide that have suffered a set back in either share price or profitability, but where long term prospects are believed to be good.

The Fund applies a disciplined value investment approach, seeking to invest in a select portfolio of companies that the Investment Adviser believes are significantly undervalued relative to their long-term earnings potential.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivative instruments for investment purposes as well as for efficient portfolio management (for more information please refer to Appendix III. Section 10: Derivatives and Forwards).

Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI World (Net Total Return) index, and compared against the MSCI World Value (Net Total Return) index and the Investment Association Global sector average return. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmarks have been selected because the Investment Adviser and the ACD believe that these benchmarks are suitable comparisons for performance purposes given the Fund's investment objective and policy.

Review of Investment Activities

From 31 December 2021 to 30 December 2022, the price of Z Accumulation shares on a dealing price basis rose 1.60%. In the same period, MSCI World index generated a negative net return of 7.83%¹.

The Fund outperformed the index and posted a positive absolute return. At the start of the year, areas of the stock market where investors were most pessimistic were oil and gas and banks shares. During 2022, those sectors had a good year, although for reasons none of us would have been able to predict. We simply based our view on which sectors were most out of favour, which were cheapest, and therefore set to benefit the most if there was any alleviation of the negative headwinds those stocks had been facing.

US petroleum refiner HF Sinclair, Spanish oil major Repsol and Italian oil major Eni and oil services business Saipem all performed strong. Repsol, for example, announced strong results in October, increasing the dividend as well as implementing a buyback programme with the extra cash that the underlying business is producing.

Among financials, our holding in emerging markets focused bank Standard Chartered supported fund returns. The rising interest rate environment is beneficial for banks as they can price loans at higher rates. Having been forced to restructure their businesses to operate in a world of zero interest rates banks were already making profits and returns on equity despite the low interest rate environment. Higher rates have seen rates move higher still and should help to close their discounts to book value.

A number of our consumer staples businesses also added value amid the uncertain economic environment. Contributors included US beverages firm Molson Coors Beverage, US pharmaceutical group Bristol-Myers Squibb, and UK tobacco group Imperial Brands.

We sold out of HF Sinclair following the strong share price performance. Other sales included US energy firm Vistra. New positions include US tools company Stanley Black and Decker, German building materials group HeidelbergCement, French car maker Renault, as well as semi-conductor businesses Samsung Electronics, Western Digital and Micron Technology.

Despite value's strong performance of late, absolute valuations remain extremely compelling. Low absolute valuations give us confidence in for long-term prospective returns for the cheapest part of the market. There are also remarkable opportunities there are for long term patient investors. For those of us willing (or able) to take a three to five year investment horizon there are significant numbers of stocks which screen as attractive, in diverse sectors, across the global equity market. This offers the opportunity (but not guarantee) for strong absolute returns in the coming years.

Co-Fund Managers:

Nick Kirrage – Co-head of Schroder Global Value Team



Co-manager of Global Recovery and Global Income strategies
Managed value portfolios at Schroders since 2006

Founding member of the Global Value Team in 2013

Investment career commenced in 2001 within Schroders' Pan European research team

Previously analyst responsible for a number of sectors including Transport, Metals & Mining and Aerospace and Defence sectors

Chartered Financial Analyst

Degree in Aeronautical Engineering, Bristol University

Simon Adler – Fund Manager, Schroder Global Value Team



Co-manager of Global Recovery, Global Income and Global Sustainable strategies

Joined the Global Value Team in July 2016 to manage value portfolios

Investment career commenced in 2008, at Schroders as a UK equity analyst

Previously sector analyst responsible for Chemicals, Media, Transport, Travel & Leisure and Utilities

Global Sustainability Specialist in Global Equity team until 2016

Chartered Financial Analyst

MA in Politics, Edinburgh University

Liam Nunn – Fund Manager, Schroder Global Value Team



Co-manager of Global Recovery, Global Income and Global Sustainable strategies

Managed value portfolios at Schroders since 2020

Joined the Global Value team in January 2019 as an analyst

Investment career commenced in 2011 at Schroders as a Pan European sector analyst

Moved to Merian Global Investors (formerly Old Mutual Global Investors) in 2015 as an equity analyst/fund manager

Chartered Financial Analyst

Degree in Politics, Philosophy and Economics, Durham University

¹ Source: Refinitiv Eikon Datastream.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Risk Profile

Risk and reward indicator



The risk category was calculated using simulated performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Comparative Table

Financial year to 31 December	L Accumulation shares			L Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	93.45	75.26	81.29	83.62	68.75	75.26
Return before operating charges*	2.29	18.95	(5.46)	2.08	17.33	(5.02)
Operating charges	(0.81)	(0.76)	(0.57)	(0.72)	(0.70)	(0.54)
Return after operating charges*	1.48	18.19	(6.03)	1.36	16.63	(5.56)
Distributions**	(2.76)	(1.93)	(1.02)	(2.47)	(1.76)	(0.95)
Retained distributions**	2.76	1.93	1.02	-	-	-
Closing net asset value	94.93	93.45	75.26	82.51	83.62	68.75
*after direct transaction costs of	(0.05)	(0.13)	(0.06)	(0.04)	(0.12)	(0.06)
Performance						
Return after charges (%)	1.58	24.17	(7.42)	1.63	24.19	(7.39)
Other information						
Closing net asset value (£000's)	118,811	148,677	100,822	3,628	7,341	1,725
Closing number of shares	125,158,396	159,101,263	133,958,595	4,396,715	8,778,801	2,508,763
Operating charges (%)	0.87	0.87	0.87	0.87	0.87	0.87
Direct transaction costs (%)	0.05	0.15	0.09	0.05	0.15	0.09
Prices						
Highest dealing price	99.99p	94.51p	82.12p	89.50p	86.34p	76.05p
Lowest dealing price	85.42p	75.58p	52.07p	76.46p	69.06p	48.22p

Comparative Table (continued)

Financial year to 31 December	S Income shares			X Accumulation shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	64.74	53.22	58.23	62.78	50.13	53.74
Return before operating charges*	1.63	13.42	(3.87)	1.56	12.68	(3.59)
Operating charges	(0.37)	(0.36)	(0.27)	(0.03)	(0.03)	(0.02)
Return after operating charges*	1.26	13.06	(4.14)	1.53	12.65	(3.61)
Distributions**	(2.11)	(1.54)	(0.87)	(2.38)	(1.79)	(1.00)
Retained distributions**	-	-	-	2.38	1.79	1.00
Closing net asset value	63.89	64.74	53.22	64.31	62.78	50.13
*after direct transaction costs of	(0.03)	(0.10)	(0.04)	(0.03)	(0.09)	(0.04)
Performance						
Return after charges (%)	1.95	24.54	(7.11)	2.44	25.23	(6.72)
Other information						
Closing net asset value (£000's)	94,788	656,593	79,333	1	47,903	39,453
Closing number of shares	148,372,647	1,014,274,428	149,070,418	2,000	76,307,446	78,695,562
Operating charges (%)	0.57	0.57	0.57	0.04	0.04	0.04
Direct transaction costs (%)	0.05	0.15	0.09	0.05	0.15	0.09
Prices						
Highest dealing price	69.31p	67.00p	58.85p	67.16p	63.37p	54.31p
Lowest dealing price	59.34p	53.46p	37.34p	57.65p	50.37p	34.49p

Comparative Table (continued)

Financial year to 31 December	X Income shares ¹	Z Accumulation shares		
	2022 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value				
Opening net asset value	50.00	93.04	74.99	81.05
Return before operating charges*	0.18	2.28	18.87	(5.45)
Operating charges	(0.01)	(0.87)	(0.82)	(0.61)
Return after operating charges*	0.17	1.41	18.05	(6.06)
Distributions**	(1.10)	(2.68)	(1.86)	(0.97)
Retained distributions**	-	2.68	1.86	0.97
Closing net asset value	49.07	94.45	93.04	74.99
*after direct transaction costs of	(0.02)	(0.05)	(0.13)	(0.06)
Performance				
Return after charges (%)	0.34	1.52	24.07	(7.48)
Other information				
Closing net asset value (£000's)	31,856	190,127	234,022	97,542
Closing number of shares	64,922,678	201,308,120	251,531,976	130,078,856
Operating charges (%)	0.04	0.94	0.94	0.94
Direct transaction costs (%)	0.05	0.05	0.15	0.09
Prices				
Highest dealing price	52.25p	99.54p	94.10p	81.88p
Lowest dealing price	44.42p	85.00p	75.31p	51.91p

Comparative Table (continued)

Financial year to 31 December	Z Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value			
Opening net asset value	83.54	68.69	75.19
Return before operating charges*	2.08	17.30	(5.01)
Operating charges	(0.78)	(0.75)	(0.59)
Return after operating charges*	1.30	16.55	(5.60)
Distributions**	(2.41)	(1.70)	(0.90)
Closing net asset value	82.43	83.54	68.69
*after direct transaction costs of	(0.04)	(0.12)	(0.06)
Performance			
Return after charges (%)	1.56	24.09	(7.45)
Other information			
Closing net asset value (£000's)	29,948	27,743	9,221
Closing number of shares	36,332,806	33,210,307	13,424,324
Operating charges (%)	0.94	0.94	0.94
Direct transaction costs (%)	0.05	0.15	0.09
Prices			
Highest dealing price	89.40p	86.21p	75.98p
Lowest dealing price	76.35p	68.99p	48.17p

** These figures have been rounded to 2 decimal places.

*** Direct transaction costs have been stated after deducting the proportion of the amounts collected from dilution adjustments.

1 X Income shares launched on 13 May 2022.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Statement

	Holding at 31.12.22	Market Value £000's	% of net assets
Equities 98.25% (97.32%)			
Australia 1.52% (2.11%)			
South32	3,162,829	7,132	1.52
		7,132	1.52
Belgium 1.51% (1.84%)			
Ageas	192,881	7,088	1.51
		7,088	1.51
Canada 0.00% (1.72%)			
Cayman Islands 1.88% (0.00%)			
Alibaba Group Holding	961,300	8,831	1.88
		8,831	1.88
Denmark 0.00% (1.17%)			
France 5.79% (7.78%)			
AXA	421,473	9,743	2.08
Renault	250,566	6,946	1.48
Sanofi	131,452	10,478	2.23
		27,167	5.79
Germany 9.37% (5.93%)			
Bayer	205,676	8,856	1.89
Continental	246,463	12,285	2.62
HeidelbergCement	169,290	8,039	1.72
Schaeffler Preference	1,396,091	7,896	1.68
Vitesco Technologies Group	142,462	6,857	1.46
		43,933	9.37
Italy 7.04% (7.53%)			
Eni	809,283	9,548	2.04
Intesa Sanpaolo	4,353,097	8,037	1.71
Saipem	5,424,095	5,407	1.15
UniCredit	854,654	10,034	2.14
		33,026	7.04
Japan 13.65% (11.15%)			
Citizen Watch	1,667,600	6,231	1.33
DeNA	643,200	7,153	1.53
Dentsu Group	390,100	10,188	2.17
H.U. Group Holdings	445,100	8,079	1.72
KDDI	279,200	7,001	1.49
Medipal Holdings	659,700	7,236	1.54
NHK Spring	798,400	4,251	0.91
Nikon	606,100	4,487	0.96
Nippon Television Holdings	344,600	2,262	0.48
Tokai Rika	634,400	5,648	1.20
TV Asahi Holdings	178,700	1,509	0.32
		64,045	13.65
Jersey 2.30% (2.00%)			
WPP	1,315,647	10,791	2.30
		10,791	2.30
Netherlands 2.00% (1.49%)			
ING Groep	927,457	9,371	2.00
		9,371	2.00
Russia 0.00% (4.64%)			
Alrosa [^]	17,451,635	0	0.00
		0	0.00

	Holding at 31.12.22	Market Value £000's	% of net assets
Singapore 2.17% (1.49%)			
Genting Singapore	17,304,000	10,189	2.17
		10,189	2.17
South Africa 1.64% (1.39%)			
Tiger Brands	752,193	7,709	1.64
		7,709	1.64
South Korea 3.16% (2.07%)			
Hankook Tire & Technology	388,933	7,965	1.70
Samsung Electronics	188,521	6,854	1.46
		14,819	3.16
Spain 1.59% (2.72%)			
Repsol	566,434	7,463	1.59
		7,463	1.59
United Kingdom 22.10% (24.81%)			
Anglo American	178,136	5,759	1.23
Barclays	5,516,603	8,745	1.86
BT Group	8,674,231	9,719	2.07
Centrica	6,200,490	5,985	1.27
GSK	654,894	9,415	2.01
HSBC Holdings	1,896,561	9,779	2.08
International Distributions Services	3,979,292	8,476	1.81
NatWest Group	3,160,415	8,381	1.79
Noble	268,074	8,334	1.78
Rolls-Royce Holdings	10,637,940	9,903	2.11
Standard Chartered	2,002,117	12,461	2.66
Tesco	2,999,309	6,724	1.43
		103,681	22.10
United States of America 22.53% (17.48%)			
AMC Networks A	312,441	4,031	0.86
eBay	199,864	6,884	1.47
Intel	521,317	11,363	2.42
Micron Technology	164,847	6,790	1.45
Mohawk Industries	114,087	9,693	2.07
Molson Coors Beverage B	211,242	9,035	1.93
Nordstrom	428,661	5,741	1.22
Stanley Black & Decker	131,638	8,213	1.75
Verizon Communications	281,836	9,206	1.96
Viatis	1,085,446	9,917	2.11
Walgreens Boots Alliance	340,844	10,572	2.25
Western Digital	220,706	5,774	1.23
Western Union	740,182	8,498	1.81
		105,717	22.53
Equities total		460,962	98.25

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets
Collective Investment Schemes	1.44%	(0.57%)	
Emerging Markets Equity Funds	1.44%	(0.57%)	
Schroder ISF Emerging Markets Value - Class I Accumulation USD [†]	56,788	6,735	1.44

	Holding at 31.12.22	Market Value £000's	% of net assets
		6,735	1.44
Collective Investment Schemes total		6,735	1.44
Portfolio of investments		467,697	99.69
Net other assets		1,462	0.31
Net assets attributable to shareholders		469,159	100.00

The comparative percentage figures in brackets are as at 31 December 2021.

Unless otherwise stated, all securities are admitted to official stock exchange listings or are permitted collective investment schemes.

[^] Unlisted, suspended or delisted security.

[†] A related party to the Fund (Note 11).

Statement of Total Return

For the year ended 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Income					
Net capital (losses)/gains	2		(19,606)		108,307
Revenue	3	32,364		30,584	
Expenses	4	(5,560)		(5,706)	
Net revenue before taxation		26,804		24,878	
Taxation	5	(2,346)		(2,841)	
Net revenue after taxation			24,458		22,037
Total return before distributions			4,852		130,344
Distributions	6		(23,743)		(22,036)
Change in net assets attributable to shareholders from investment activities			(18,891)		108,308

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	2022		2021	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		1,122,279		328,096
Amounts receivable on issue of shares	147,509		803,991	
Amounts payable on cancellation of shares	(791,075)		(128,480)	
		(643,566)		675,511
Dilution adjustment		480		1,260
Change in net assets attributable to shareholders from investment activities		(18,891)		108,308
Retained distribution on Accumulation shares		8,857		9,104
Closing net assets attributable to shareholders		469,159		1,122,279

Balance Sheet

As at 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Assets					
Investments			467,697		1,098,626
Current assets					
Debtors	8		2,022		5,274
Cash and bank balances			4,334		35,641
Total assets			474,053		1,139,541
Liabilities					
Creditors					
Distributions payable			(4,326)		(16,378)
Other creditors	9		(568)		(884)
Total liabilities			(4,894)		(17,262)
Net assets attributable to shareholders			469,159		1,122,279

Notes to the Accounts

For the year ended 31 December 2022

1 Accounting policies

Basis of preparation

The applicable accounting policies adopted by Schroder Global Recovery Fund are disclosed on pages 9 to 10.

2 Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	2022	2021
	£000's	£000's
Non-derivative securities	(20,001)	108,342
Forward foreign currency contracts	384	(613)
Foreign currency gains	11	575
Transaction costs	-	3
Net capital (losses)/gains	(19,606)	108,307

3 Revenue

	2022	2021
	£000's	£000's
UK dividends	7,798	7,612
Overseas dividends	24,188	22,929
Franked distributions	337	33
Bank interest	39	10
Annual management charge rebates	2	-
Total revenue	32,364	30,584

4 Expenses

	2022	2021
	£000's	£000's
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director fee	-	270
Administration charge	-	73
Schroders Annual Charge ^{1,2}	5,554	5,280
	5,554	5,623
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	-	6
Safe custody fees	-	6
Dividend expenses	5	51
	5	63
Other expenses:		
Professional fee	-	7
Interest payable	1	13
	1	20
Total expenses	5,560	5,706

1 Fees such as the Authorised Corporate Director fee, Administration fee, Depositary fee were paid separately to 28 February 2021. From 1 March 2021 these fees were replaced with the Schroders Annual Charge.

2 Audit fees including VAT for the financial year ending 2022 were £9,648 (2021 - £9,648).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

5 Taxation

Corporation tax has not been provided for as expenses payable by the Fund exceed the revenue liable to corporation tax.

(a) Analysis of the tax charge for the year

	2022	2021
	£000's	£000's
Overseas withholding tax	2,346	2,841
Total current tax (Note 5(b))	2,346	2,841

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for Open Ended Investment Companies of 20% (2021 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2022	2021
	£000's	£000's
Net revenue before taxation	26,804	24,878
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	5,361	4,976
Effects of:		
Revenue not subject to corporation tax	(6,474)	(5,886)
Movement in excess management expenses	897	1,117
Overseas withholding tax	2,346	2,841
Expensed withholding tax incurred	-	(2)
Movement in revenue taxable in different periods	216	(205)
Current tax charge for the year (Note 5(a))	2,346	2,841

(c) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £1,857,685 (2021 – £960,760) in respect of unutilised management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year. The potential deferred tax asset in the prior year has been restated from £1,748,513 to £960,760, due to the reclassification of Russian income to taxable income.

6 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2022	2021
	£000's	£000's
Interim Dividend distribution	253	-
Quarterly Dividend distribution	480	-
Final Dividend distribution	13,183	25,482
	13,916	25,482
Add: Revenue deducted on cancellation of shares	11,178	1,143
Deduct: Revenue received on issue of shares	(1,351)	(4,589)
Distributions	23,743	22,036
Net revenue after taxation	24,458	22,037
Movement in undistributed revenue	1	(1)
Equalisation on conversions	(716)	-
Distributions	23,743	22,036

Details of the distributions per share are set out in the Distribution Tables on pages 188 to 189.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

7 Fair value hierarchy

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Basis of valuation	2022		2021	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	460,962	-	1,092,160	-
Level 2: Observable market data	6,735	-	6,466	-
Level 3: Unobservable data	-	-	-	-
Total	467,697	-	1,098,626	-

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Authorised Corporate Director has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Authorised Corporate Director of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Authorised Corporate Director with particular attention paid to the carrying value of the investments.

8 Debtors

	2022	2021
	£000's	£000's
Amounts receivable for issue of shares	346	1,202
Accrued revenue	643	3,598
Overseas withholding tax recoverable	1,033	474
Total debtors	2,022	5,274

9 Other creditors

	2022	2021
	£000's	£000's
Amounts payable for cancellation of shares	263	248
Accrued expenses	305	636
Total other creditors	568	884

10 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2021 - Nil).

11 Related party transactions

The Authorised Corporate Director provides key management personnel services for the Fund and is therefore considered a related party.

Amounts paid during the year or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

Annual management charge rebates received or receivable from the Authorised Corporate Director of £2,127 (2021 - Nil) are disclosed under Net capital (losses)/gains and Revenue in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies paid through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 10.03% (2021 - 38.69%).

The revenue earned from these investments of £336,944 (2021 - £32,526) is included under Revenue in the Notes to the Accounts.

12 Share classes

At the reporting date the Fund had seven share classes. The costs and expenses due to the Manager are referred to as the Schroders Annual Charge. Details of the charges applied to each share class can be found in the prospectus.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on pages 175 to 178.

The distributions per share class are given in the Distribution Tables on pages 188 to 189.

All classes have the same rights on winding up.

13 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity and interest rate risks. The Authorised Corporate Director's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £46,769,700 (2021 - £109,862,600).

Foreign currency risk

Where a portion of the net assets of the Fund are denominated in currencies other than sterling the balance sheet and total return can be affected by currency movements. Therefore the Authorised Corporate Director may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the Fund's exposure to currency risk is reduced.

Revenue received in other currencies is translated to sterling on or near the date of receipt. The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Currency risk profile

The currency risk profile of the Fund's net assets and liabilities at the balance sheet date was as follows:

Currency	2022 £000's	2021 £000's
Australian dollar	7,132	23,644
Canadian dollar	-	19,283
Danish krone	8,333	13,091
Egyptian pound	2	3
Euro	129,108	306,779
Hong Kong dollar	8,831	-
Japanese yen	64,200	125,513
Singapore dollar	10,189	16,684
South African rand	7,709	15,626
South Korean won	15,009	23,581
Sterling	106,194	321,958
US dollar	112,452	256,117

At the year end date, if the value of Sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £36,296,500 (2021 - £80,032,100).

Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the Collective Investment Schemes sourcebook.

Interest rate risk

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

Interest receivable on bank deposits positions will be affected by fluctuations in interest rates.

At the year end date 0.92% (2021 - 3.18%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average Rate. Foreign currency bank balances bear interest at rates based on the Sterling Overnight Index Average Rate or its international equivalent.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

Global risk exposure

Commitment approach

When using derivatives, the Authorised Corporate Director uses a risk management process that enables it to monitor the risk of a Fund's derivative positions. The global risk exposure of a Fund is calculated daily either by means of the commitment approach or the Value-at-Risk (VaR) approach.

Under the commitment approach, the global risk exposure is defined as the underlying market value of derivatives, after netting and hedging as permitted by the regulation, not exceeding the Net Asset Value of a Fund. This is typically used on Funds where derivative usage is low or Funds which limit their derivatives commitment to 100% or less of their Net Asset Value.

The global risk exposure of the Fund is calculated using the commitment approach. During the year ended 31 December 2022 the global risk exposure of the Fund did not exceed 100% of its Net Asset Value. The lowest, highest, average and actual level of leverage for the Fund as at the balance sheet date was as follows:

Leverage

	2022				2021			
	Lowest	Highest	Average	Leverage 31 December	Lowest	Highest	Average	Leverage 31 December
	0.00%	3.38%	0.12%	0.00%	0.00%	15.08%	0.54%	0.00%

14 Direct transaction costs

In the case of shares, broker commissions and transfer taxes/stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	267,223	95	195	267,513	0.04	0.07
Funds	337	-	-	337	-	-
	267,560	95	195	267,850		

Sales						
Equities	879,116	(288)	(50)	878,778	(0.03)	(0.01)
Total cost of the Fund's average net asset value (%)		0.05	0.03			

2021	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	988,691	334	1,648	990,673	0.03	0.17
Funds	33	-	-	33	-	-
	988,724	334	1,648	990,706		

Sales						
Equities	314,049	(115)	(99)	313,835	(0.04)	(0.03)
Total cost of the Fund's average net asset value (%)		0.05	0.21			

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.14% (2021 – 0.12%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

15 Shares in issue reconciliation

	Number of shares in issue 31.12.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 31.12.22
L Accumulation shares	159,101,263	61,273,658	(95,116,782)	(99,743)	125,158,396
L Income shares	8,778,801	6,813,718	(11,273,669)	77,865	4,396,715
S Income shares	1,014,274,428	29,667,817	(895,313,583)	(256,015)	148,372,647
X Accumulation shares	76,307,446	571,610	(2,070,821)	(74,806,235)	2,000
X Income shares	-	3,000	(30,830,545)	95,750,223	64,922,678
Z Accumulation shares	251,531,976	54,030,338	(104,332,119)	77,925	201,308,120
Z Income shares	33,210,307	17,414,061	(14,437,060)	145,498	36,332,806

16 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 December 2022, the price of each share class has changed as follows:

	Dealing price 21.4.23	Dealing price 30.12.22	% change
L Accumulation shares	103.60	95.11p	8.93
L Income shares	90.11	85.15p	5.83
S Income shares	69.84	66.12p	5.63
X Accumulation shares	70.41	64.43p	9.28
X Income shares	53.30	49.50p	7.68
Z Accumulation shares	103.10	94.63p	8.95
Z Income shares	90.00	85.00p	5.88

Distribution Tables

Interim distribution for the three months ended 30 June 2022

Group 1 Shares purchased on 13 May 2022

Group 2 Shares purchased after 13 May 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.8.22 per share
X Income shares			
Group 1	0.2659p	-	0.2659p
Group 2	0.2659p	-	0.2659p

Quarterly distribution for the three months ended 30 September 2022

Group 1 Shares purchased prior to 1 July 2022

Group 2 Shares purchased on or after 1 July 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 30.11.22 per share
X Income shares			
Group 1	0.5044p	-	0.5044p
Group 2	0.5044p	-	0.5044p

Final distribution for the three months ended 31 December 2022

Group 1 Shares purchased prior to 1 October 2022

Group 2 Shares purchased on or after 1 October 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share
X Income shares			
Group 1	0.3324p	-	0.3324p
Group 2	0.3324p	-	0.3324p

Final distribution for the year ended 31 December 2022

Group 1 Shares purchased prior to 1 January 2022

Group 2 Shares purchased on or after 1 January 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
L Accumulation shares				
Group 1	2.7610p	-	2.7610p	1.9302p
Group 2	1.7718p	0.9892p	2.7610p	1.9302p
L Income shares				
Group 1	2.4714p	-	2.4714p	1.7630p
Group 2	1.1935p	1.2779p	2.4714p	1.7630p
S Income shares				
Group 1	2.1070p	-	2.1070p	1.5439p
Group 2	1.3772p	0.7298p	2.1070p	1.5439p

Distribution Tables

(continued)

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
X Accumulation shares				
Group 1	2.3770p	-	2.3770p	1.7852p
Group 2	2.3770p	-	2.3770p	1.7852p
Z Accumulation shares				
Group 1	2.6830p	-	2.6830p	1.8571p
Group 2	1.7840p	0.8990p	2.6830p	1.8571p
Z Income shares				
Group 1	2.4099p	-	2.4099p	1.6975p
Group 2	1.1075p	1.3024p	2.4099p	1.6975p

Equalisation

Equalisation applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Schroder Multi-Asset Total Return Fund

Fund Information

Investment objective and policy

Schroder Multi-Asset Total Return Fund (the 'Fund') aims to provide capital growth and income of the ICE BofA Sterling 3 Month Government Bill Index plus 4% per annum (before fees have been deducted*) over rolling three year periods by investing in a diversified range of assets and markets worldwide. The Fund also aims to target a volatility (a measure of how much the Fund's returns may vary) range of 4% - 8% over the same period. This cannot be guaranteed and your capital is at risk.

*For the relevant fees of each unit class please visit the Schroder website <https://www.schroders.com/en/uk/>

The Fund is actively managed and invests directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts and closed ended funds, and derivatives in equity and equity related securities, fixed and floating rate securities, commodities and currencies worldwide. The weightings of these holdings are adjusted in response to changing market conditions.

The Fund may invest more than 10% of its assets in collective investment schemes (including other Schroder funds).

The Fund may invest in below investment grade securities (as measured by Standard & Poor's or any equivalent grade of other credit rating agencies) or in unrated securities.

The Fund may invest up to 20% of its assets in asset-backed and mortgage-backed securities.

The Fund may also invest in warrants and money market instruments, and may hold cash. The investment strategy of the Fund and its use of derivatives may lead to situations when it is considered appropriate that prudent levels of cash or cash equivalent liquidity will be maintained, which may be substantial or even represent (exceptionally) 100% of the Fund's assets.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to Appendix III. Section 10: Derivatives and Forwards). The Fund will use leverage and take short positions.

Fund characteristics

The Fund's performance should be assessed against its target benchmark of the ICE BofA Sterling 3 Month Government Bill Index plus 4% per annum. The Fund also aims to target a volatility (a measure of how much the Fund's returns may vary) range of 4% - 8% over the same period. The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective.

Review of Investment Activities

From 31 December 2021 to 30 December 2022, the price of Z Accumulation shares on a dealing price basis fell 9.85%. In the same period, ICE BofA Sterling 3 Month Government Bill Index plus 4% generated a total return of 5.29%¹.

2022 has been characterised by multi-decade high inflation, a slowdown in global growth giving rise to stagflationary fears and, consequently, plummeting global markets. The challenge has been that rising interest rates represent a major regime change after years of quantitative easing. With central banks forced to focus on tackling inflation, equity and bond markets have sold-off sharply together, rendering bonds a less effective hedge in contrast to previous cycles. All in all, it has been a dire market environment but one in which our dynamic asset allocation has helped to reduce losses. The defensive actions we had taken earlier in the year to address the economic factors have helped to protect the portfolio as markets fell. Gains from currency, commodities and absolute return were insufficient to offset losses elsewhere in the portfolio. Equities were the largest detractor; our allocation to developed market equities weighed most on performance.

After a dismal 2022 for global markets, we think there are grounds for cautious optimism as we enter 2023. Although the coming year is expected to be one of recession for advanced economies, businesses, consumers and markets seem to have adjusted to this prospect. The mindsets of investors have moved from "denial" to "acceptance" in terms of their expectations of central bank hikes and market expectations now look more reasonable. That said, it won't be plain sailing from here; inflation risks persist, corporate earnings forecasts need to come down to properly reflect a recession and geopolitical risk is never far away. Nonetheless, the cycle has moved on since our last report, interest rate volatility is subsiding, a lot of bad news is priced in to some markets and therefore dispersion in valuations is wider. This is good terrain for flexible active multi-asset strategies like ours.

Co-Head of Investment and Group Chief Investment Officer:
Johanna Kyrklund, CFA



Joined Schroders in March 2007 and is based in London

As Group CIO, Johanna oversees investment performance, philosophy and process for all asset classes (excluding private assets), reinforcing a culture of collaboration across all desks

In addition, Johanna leads the Multi-Asset Investments division, is a member of the Group Management Committee (GMC) and Chairs Global Asset Allocation Committee

Responsible for investments on behalf of Multi-Asset clients globally and is the lead portfolio manager of the Schroder Diversified Growth Strategy

Prior to joining Schroders, Johanna specialised in tactical asset allocation strategies

From 2005 she worked at Insight Investment where she managed an unconstrained global macro absolute return fund. From 1997 to 2005 she worked at Deutsche Asset Management where she was Head of Asset Allocation in the UK and fund manager of the Deutsche tactical asset allocation fund

CFA Charterholder

Degree in Philosophy, Politics and Economics from Oxford University

Johanna is a member of the Cambridge University Investment Board and the Railpen Investment Board

Co-Fund Manager:
Merrick Styles



Merrick Styles is Senior Fund Manager at Schroders, which involves management of the DGF and Total Return Products. He joined Schroders in 2019 and is based in London

Merrick was Senior Fund Manager at Barings from 2015 to 2019, which involved management of multi-asset portfolios. Chair of the asset allocation and fixed income groups

He was Co-Head of Investments at Amundi from 2012 to 2015, which involved management of currency, global fixed income and multi-asset portfolios. One of 5 senior portfolio architects to set the team views

He was Head of Absolute Return at Amundi from 2005 to 2012, which involved management of currency, global fixed income and multi-asset portfolios. One of 5 senior portfolio architects to set the team views

MSc in Investment Management from CASS Business School; PhD in Automotive Engineering from Cranfield University; BSc in Mechanical Engineering from University of Southampton

¹ Source: Refinitiv Eikon Datastream.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Risk Profile

Risk and reward indicator



The risk category was calculated using simulated historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Comparative Table

Financial year to 31 December	I Income shares			L Accumulation shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	52.85	50.57	51.30	54.27	51.41	51.71
Return before operating charges*	(4.63)	3.21	0.05	(4.73)	3.28	0.07
Operating charges	(0.32)	(0.34)	(0.29)	(0.40)	(0.42)	(0.37)
Return after operating charges*	(4.95)	2.87	(0.24)	(5.13)	2.86	(0.30)
Distributions**	(0.74)	(0.59)	(0.49)	(0.71)	(0.54)	(0.44)
Retained distributions**	-	-	-	0.71	0.54	0.44
Closing net asset value	47.16	52.85	50.57	49.14	54.27	51.41
*after direct transaction costs of	-	-	-	-	-	-
Performance						
Return after charges (%)	(9.37)	5.68	(0.47)	(9.45)	5.56	(0.58)
Other information						
Closing net asset value (£000's)	16,136	18,084	17,302	203	228	332
Closing number of shares	34,215,099	34,215,099	34,215,099	412,676	420,831	646,065
Operating charges (%)	0.65	0.66	0.67	0.79	0.80	0.81
Prices						
Highest dealing price	52.92p	53.98p	52.37p	54.34p	54.83p	52.79p
Lowest dealing price	46.71p	50.34p	42.73p	47.92p	51.17p	43.07p

Comparative Table (continued)

Financial year to 31 December	L Income shares			S Accumulation shares ¹
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share
Change in net asset value				
Opening net asset value	52.85	50.57	51.31	50.00
Return before operating charges*	(4.61)	3.23	0.06	(0.67)
Operating charges	(0.39)	(0.41)	(0.36)	(0.08)
Return after operating charges*	(5.00)	2.82	(0.30)	(0.75)
Distributions**	(0.64)	(0.54)	(0.44)	(0.65)
Retained distributions**	-	-	-	0.65
Closing net asset value	47.21	52.85	50.57	49.25
*after direct transaction costs of	-	-	-	-
Performance				
Return after charges (%)	(9.46)	5.58	(0.58)	(1.50)
Other information				
Closing net asset value (£000's)	22	40	23	35
Closing number of shares	46,155	75,503	45,178	71,503
Operating charges (%)	0.79	0.80	0.81	0.44
Prices				
Highest dealing price	52.92p	53.93p	52.37p	50.15p
Lowest dealing price	46.67p	50.33p	42.73p	48.00p

Comparative Table (continued)

Financial year to 31 December	X Accumulation shares			X Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	55.70	52.48	52.49	52.93	50.63	51.34
Return before operating charges*	(4.94)	3.27	0.01	(4.71)	3.18	0.01
Operating charges	(0.05)	(0.05)	(0.02)	(0.01)	(0.02)	(0.02)
Return after operating charges*	(4.99)	3.22	(0.01)	(4.72)	3.16	(0.01)
Distributions**	(1.02)	(0.85)	(0.73)	(1.00)	(0.86)	(0.70)
Retained distributions**	1.02	0.85	0.73	-	-	-
Closing net asset value	50.71	55.70	52.48	47.21	52.93	50.63
*after direct transaction costs of	-	-	-	-	-	-
Performance						
Return after charges (%)	(8.96)	6.14	(0.02)	(8.92)	6.24	(0.02)
Other information						
Closing net asset value (£000's)	19,106	37,760	91,624	1	1	1
Closing number of shares	37,679,514	67,792,042	174,605,932	2,000	2,000	2,000
Operating charges (%)	0.10	0.11	0.12	0.10	0.11	0.12
Prices						
Highest dealing price	55.77p	56.23p	53.62p	53.00p	54.29p	52.44p
Lowest dealing price	49.40p	52.28p	43.77p	46.97p	50.45p	42.80p

Comparative Table (continued)

Financial year to 31 December	Z Accumulation shares			Z Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	54.14	51.31	51.64	52.83	50.56	51.28
Return before operating charges*	(4.72)	3.29	0.07	(4.60)	3.24	0.07
Operating charges	(0.44)	(0.46)	(0.40)	(0.42)	(0.42)	(0.40)
Return after operating charges*	(5.16)	2.83	(0.33)	(5.02)	2.82	(0.33)
Distributions**	(0.69)	(0.52)	(0.41)	(0.69)	(0.55)	(0.39)
Retained distributions**	0.69	0.52	0.41	-	-	-
Closing net asset value	48.98	54.14	51.31	47.12	52.83	50.56
*after direct transaction costs of	-	-	-	-	-	-
Performance						
Return after charges (%)	(9.53)	5.52	(0.64)	(9.50)	5.58	(0.64)
Other information						
Closing net asset value (£000's)	158	308	214	5	3	1
Closing number of shares	322,417	569,954	417,190	10,964	5,771	2,000
Operating charges (%)	0.86	0.87	0.89	0.86	0.87	0.89
Prices						
Highest dealing price	54.20p	54.69p	52.71p	52.90p	53.93p	52.34p
Lowest dealing price	47.77p	51.07p	43.00p	46.62p	50.32p	42.70p

** These figures have been rounded to 2 decimal places.

1 S Accumulation shares launched on 7 September 2022.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Statement

	Holding at 31.12.22	Market Value £000's	% of net assets
Collective Investment Schemes 68.71% (75.53%)			
Absolute Return Funds 7.61% (7.83%)			
Schroder ISF Cross Asset Momentum Component - Class I Accumulation USD [†]	37,785	2,715	7.61
		2,715	7.61
Asia Pacific Fixed Interest Funds 4.63% (3.65%)			
Schroder ISF Asian Credit Opportunities - Class I Accumulation USD [†]	19,189	1,653	4.63
		1,653	4.63
Cash Funds 4.45% (9.86%)			
Schroder SSF Sterling Liquidity Plus - Class I Accumulation GBP [†]	12,901	1,587	4.45
		1,587	4.45
Emerging Markets Fixed Interest Funds 0.98% (0.00%)			
iShares J.P. Morgan USD Emerging Markets Bond UCITS Fund USD (Dist) Share Class	4,987	349	0.98
		349	0.98
European Equity Funds 0.00% (1.21%)			
Global Equity Funds 19.20% (19.93%)			
Schroder ISF Global Disruption - Class I Accumulation USD [†]	3,578	485	1.36
Schroder ISF Global Equity - Class I Accumulation USD [†]	144,313	5,709	16.01
Schroder ISF QEP Global Active Value - Class I Accumulation USD [†]	2,451	653	1.83
		6,847	19.20
Global Fixed Interest Funds 27.36% (30.49%)			
Schroder Global Corporate Bond Managed Credit Component Fund - Class X Accumulation GBP [†]	11,660,013	6,016	16.86
Schroder ISF Global High Yield - Class I Accumulation USD [†]	54,213	2,671	7.49
Schroder ISF Securitised Credit - Class I Accumulation USD [†]	11,775	1,072	3.01
		9,759	27.36
Other Funds 4.48% (2.56%)			
Schroder GAIA Cat Bond Fund - Class I Accumulation USD [†]	1,167	1,598	4.48
		1,598	4.48
Collective Investment Schemes total		24,508	68.71

	Holding at 31.12.22	Market Value £000's	% of net assets
Government Bonds 27.25% (21.43%)			
Brazil 1.05% (0.00%)			
Brazil Letras do Tesouro Nacional 0% 01/01/2024	2,678	372	1.05
		372	1.05
Canada 0.00% (7.04%)			
Mexico 1.05% (0.00%)			
Mexican Bonos 8% 05/09/2024	91,209	375	1.05
		375	1.05
United Kingdom 25.15% (14.39%)			
UK Treasury Bill 0% 20/02/2023	2,100,000	2,091	5.86
UK Treasury Bill 0% 27/02/2023	750,000	746	2.09
UK Treasury Bill 0% 13/03/2023	1,100,000	1,093	3.06
UK Treasury Bill 0% 15/05/2023	1,000,000	986	2.76
UK Treasury Bill 0% 22/05/2023	1,100,000	1,084	3.04
UK Treasury Bill 0% 30/05/2023	820,000	808	2.27
UK Treasury Bill 0% 12/06/2023	750,000	738	2.07
UK Treasury 0.125% 31/01/2024	742,000	715	2.01
UK Treasury 0.25% 31/01/2025	764,000	710	1.99
		8,971	25.15
Government Bonds total		9,718	27.25
Forward Foreign Currency Contracts 0.34% (0.25%)			
Buy AUD 1,315,000 Sell GBP 723,112 25/01/2023		20	0.06
Buy AUD 709,000 Sell USD 473,575 25/01/2023		7	0.02
Buy BRL 3,331,000 Sell USD 609,950 02/02/2023		14	0.04
Buy CLP 314,780,000 Sell USD 339,155 19/01/2023		23	0.06
Buy COP 4,032,660,000 Sell USD 796,775 19/01/2023		27	0.08
Buy CZK 9,451,000 Sell USD 408,313 26/01/2023		7	0.02
Buy EUR 265,000 Sell USD 281,192 26/01/2023		2	0.01
Buy HUF 134,410,000 Sell USD 338,026 26/01/2023		15	0.04
Buy IDR 11,835,200,000 Sell USD 757,553 19/01/2023		8	0.02
Buy ILS 951,000 Sell USD 276,983 26/01/2023		(5)	(0.01)
Buy INR 1,071,000 Sell USD 12,928 19/01/2023		0	0.00
Buy INR 56,660,000 Sell USD 690,639 19/01/2023		(4)	(0.01)
Buy JPY 102,770,000 Sell USD 733,790 26/01/2023		40	0.11

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets		Holding at 31.12.22	Market Value £000's	% of net assets
Buy MXN 12,560,000 Sell USD 634,849 26/01/2023	4		0.01	Buy USD 429,106 Sell SGD 593,000 26/01/2023	(11)		(0.03)
Buy MYR 2,099,000 Sell USD 458,798 19/01/2023	15		0.04	Buy USD 121,841 Sell THB 4,385,000 26/01/2023	(4)		(0.01)
Buy NOK 4,637,000 Sell USD 461,254 26/01/2023	9		0.03	Buy USD 123,409 Sell TWD 3,830,000 19/01/2023	(2)		(0.01)
Buy NZD 445,000 Sell USD 282,501 26/01/2023	0		0.00	Buy USD 486,918 Sell ZAR 8,459,000 26/01/2023	(10)		(0.03)
Buy PHP 26,369,000 Sell USD 458,764 19/01/2023	13		0.04	Buy ZAR 10,645,000 Sell USD 612,784 26/01/2023	12		0.03
Buy PLN 1,551,000 Sell USD 344,191 26/01/2023	7		0.02	Sell CHF 209,000 Buy GBP 185,541 26/01/2023	(3)		(0.01)
Buy THB 26,413,000 Sell USD 734,123 26/01/2023	25		0.07	Sell EUR 941,000 Buy GBP 816,984 26/01/2023	(18)		(0.05)
Buy USD 340,605 Sell AUD 510,000 25/01/2023	(5)		(0.01)	Sell HKD 700,000 Buy GBP 75,151 26/01/2023	1		0.00
Buy USD 457,600 Sell BRL 2,499,000 02/02/2023	(11)		(0.03)	Sell JPY 46,000,000 Buy GBP 274,512 26/01/2023	(16)		(0.04)
Buy USD 427,432 Sell CAD 571,000 26/01/2023	4		0.01	Sell USD 19,057,203 Buy GBP 16,005,657 26/01/2023	186		0.52
Buy USD 283,529 Sell CAD 388,000 26/01/2023	(3)		(0.01)	Forward Foreign Currency Contracts			
Buy USD 121,855 Sell CHF 115,000 26/01/2023	(3)		(0.01)	total		121	0.34
Buy USD 953,373 Sell CLP 878,690,000 19/01/2023	(58)		(0.16)	Option 0.00% ((0.02)%)			
Buy USD 7,838 Sell COP 37,700,000 19/01/2023	0		0.00	Swaps (0.01)% ((0.05)%)			
Buy USD 275,766 Sell COP 1,396,000,000 19/01/2023	(9)		(0.03)	Commodity Index			
Buy USD 624,092 Sell CZK 14,501,000 26/01/2023	(14)		(0.04)	Total Return			
Buy USD 2,561,097 Sell EUR 2,476,000 26/01/2023	(72)		(0.20)	Swap J.P. Morgan			
Buy USD 1,177,000 Sell GBP 957,757 26/01/2023	19		0.05	Pay 0.06% Receive			
Buy USD 4,267,309 Sell GBP 3,584,216 26/01/2023	(42)		(0.12)	USBCOMF3.CI			
Buy USD 274,877 Sell HUF 109,300,000 26/01/2023	(12)		(0.03)	12/01/2023	903,380	(2)	(0.01)
Buy USD 219,440 Sell IDR 3,448,600,000 19/01/2023	(3)		(0.01)	Swaps total		(2)	(0.01)
Buy USD 959,441 Sell ILS 3,299,000 26/01/2023	17		0.05	Futures (0.17)% (0.12%)			
Buy USD 630,669 Sell INR 51,663,000 19/01/2023	5		0.01	Australia 10 Year			
Buy USD 9,802 Sell INR 812,000 19/01/2023	0		0.00	Bond March 2023	28	(87)	(0.24)
Buy USD 119,766 Sell JPY 16,778,000 26/01/2023	(7)		(0.02)	Canada 10 Year			
Buy USD 215,657 Sell KRW 288,060,000 19/01/2023	(12)		(0.03)	Bond March 2023	(22)	43	0.12
Buy USD 481,320 Sell MXN 9,467,000 26/01/2023	0		0.00	EURO STOXX 50			
Buy USD 474,350 Sell MYR 2,099,000 19/01/2023	(2)		(0.01)	Index March 2023	(11)	14	0.04
Buy USD 354,986 Sell NZD 573,000 26/01/2023	(7)		(0.02)	FTSE 100 Index			
Buy USD 270,517 Sell PLN 1,247,000 26/01/2023	(11)		(0.03)	March 2023	(3)	0	0.00
Buy USD 860,356 Sell SEK 9,096,000 26/01/2023	(15)		(0.04)	Long Gilt March			
				2023	1	(7)	(0.02)
				MSCI Emerging			
				Markets Index			
				March 2023	9	(8)	(0.02)
				MSCI World Growth			
				Equity Index March			
				2023	(12)	31	0.09
				MSCI World Value			
				Equity Index March			
				2023	8	(9)	(0.03)
				Russell 2000 Emini			
				Index March 2023	9	(22)	(0.06)
				S&P 500 Emini Index			
				March 2023	(8)	36	0.10
				US 2 Year Note			
				March 2023	10	3	0.01
				US 5 Year Note			
				March 2023	24	(17)	(0.05)

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets
US 10 Year Note March 2023	50	(39)	(0.11)
Futures total		(62)	(0.17)

	Holding at 31.12.22	Market Value £000's	% of net assets
Portfolio of investments		34,283	96.12
Net other assets		1,383	3.88
Net assets attributable to shareholders		35,666	100.00

The comparative percentage figures in brackets are as at 31 December 2021.

Unless otherwise stated, all securities are admitted to official stock exchange listings or are permitted collective investment schemes.

^ Unlisted, suspended or delisted security.

† A related party to the Fund (Note 14).

Statement of Total Return

For the year ended 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Income					
Net capital (losses)/gains	2		(5,300)		3,995
Revenue	3	937		1,218	
Expenses	4	(131)		(152)	
Interest payable and similar charges	5	(1)		(3)	
Net revenue before taxation		805		1,063	
Taxation	6	(127)		(164)	
Net revenue after taxation			678		899
Total return before distributions			(4,622)		4,894
Distributions	7		(678)		(899)
Change in net assets attributable to shareholders from investment activities			(5,300)		3,995

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	2022		2021	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		56,424		109,497
Amounts receivable on issue of shares	1,658		573	
Amounts payable on cancellation of shares	(17,505)		(58,245)	
		(15,847)		(57,672)
Dilution adjustment		-		22
Change in net assets attributable to shareholders from investment activities		(5,300)		3,995
Retained distribution on Accumulation shares		389		582
Closing net assets attributable to shareholders		35,666		56,424

Balance Sheet

As at 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Assets					
Investments			34,833		55,219
Current assets					
Debtors	9		11		18
Cash and bank balances	10		1,768		1,865
Total assets			36,612		57,102
Liabilities					
Investment liabilities			(550)		(339)
Creditors					
Bank overdrafts	11		(7)		(10)
Distributions payable			(255)		(201)
Other creditors	12		(134)		(128)
Total liabilities			(946)		(678)
Net assets attributable to shareholders			35,666		56,424

Notes to the Accounts

For the year ended 31 December 2022

1 Accounting policies

Basis of preparation

The applicable accounting policies adopted by Schroder Multi Asset Total Return Fund are disclosed on pages 9 to 10.

2 Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	2022	2021
	£000's	£000's
Non-derivative securities	(2,162)	904
Derivative contracts	(1,039)	1,026
Forward foreign currency contracts	(2,638)	2,379
Foreign currency gains/(losses)	538	(316)
Transaction costs	-	2
Annual management charge rebates	1	-
Net capital (losses)/gains	(5,300)	3,995

3 Revenue

	2022	2021
	£000's	£000's
Franked distributions	188	242
Interest distributions	540	688
Interest on debt securities	132	166
Bank interest	8	-
Net revenue return from derivative contracts	72	116
Annual management charge rebates	(3)	6
Total revenue	937	1,218

4 Expenses

	2022	2021
	£000's	£000's
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director fee	-	16
Schroders Annual Charge ^{1,2}	131	135
	131	151
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	-	1
Total expenses	131	152

1 Fees such as the Authorised Corporate Director fee, Depositary fee were paid separately to 28 February 2021. From 1 March 2021 these fees were replaced with the Schroders Annual Charge.

2 Audit fees including VAT for the financial year ending 2022 were £12,572 (2021 - £12,572).

5 Interest payable and similar charges

	2022	2021
	£000's	£000's
Interest payable	1	3
Total interest payable and similar charges	1	3

Notes to the Accounts

For the year ended 31 December 2022 (continued)

6 Taxation

(a) Analysis of the tax charge for the year

	2022	2021
	£000's	£000's
Corporation tax	124	164
Overseas withholding tax	3	-
Total current tax (Note 6(b))	127	164

Corporation tax has been provided for at a rate of 20% (2021 – 20%).

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for Open Ended Investment Companies of 20% (2021 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2022	2021
	£000's	£000's
Net revenue before taxation	805	1,063
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	161	213
Effects of:		
Revenue not subject to corporation tax	(37)	(49)
Overseas withholding tax	3	-
Current tax charge for the year (Note 6(a))	127	164

7 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2022	2021
	£000's	£000's
Final Dividend distribution	644	783
Add: Revenue deducted on cancellation of shares	49	120
Deduct: Revenue received on issue of shares	(15)	(4)
Distributions	678	899

Details of the distributions per share are set out in the Distribution Tables on page 208.

8 Fair value hierarchy

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Basis of valuation	2022		2021	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	9,447	(189)	8,241	(51)
Level 2: Observable market data	25,386	(361)	46,978	(288)
Level 3: Unobservable data	-	-	-	-
Total	34,833	(550)	55,219	(339)

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Authorised Corporate Director has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Authorised Corporate Director of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Authorised Corporate Director with particular attention paid to the carrying value of the investments.

9 Debtors

	2022	2021
	£000's	£000's
Amounts receivable for issue of shares	–	11
Accrued revenue	11	7
Total debtors	11	18

10 Cash and bank balances

	2022	2021
	£000's	£000's
Cash and bank balances	1,301	1,506
Amounts held at futures clearing houses and brokers	467	359
Total cash and bank balances	1,768	1,865

11 Bank overdrafts

	2022	2021
	£000's	£000's
Amounts overdrawn at futures clearing houses and brokers	7	10
Total bank overdrafts	7	10

12 Other creditors

	2022	2021
	£000's	£000's
Accrued expenses	10	13
Corporation tax payable	124	115
Total other creditors	134	128

13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2021 – Nil).

14 Related party transactions

The Authorised Corporate Director provides key management personnel services for the Fund and is therefore considered a related party.

Amounts paid during the year or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

Annual management charge rebates received or receivable from the Authorised Corporate Director of Nil (2021 – £6,401) are disclosed under Net capital (losses)/gains and Revenue in the Notes to the Accounts. Amounts due from the Authorised Corporate Director at the balance sheet date of Nil (2021 – £5,652) are included under Debtors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies paid through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 53.59% (2021 – 66.93%).

Related party holdings are disclosed in the Portfolio Statement. The revenue earned from these investments of £717,107 (2021 – £835,867) is included under Revenue in the Notes to the Accounts.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

15 Share classes

At the reporting date the Fund had eight share classes. The costs and expenses due to the Manager are referred to as the Schroders Annual Charge. Details of the charges applied to each share class can be found in the prospectus.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on pages 193 to 196.

The distributions per share class are given in the Distribution Tables on page 208.

All classes have the same rights on winding up.

16 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, derivative, foreign currency, liquidity, credit and interest rate risks. The Authorised Corporate Director's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £3,428,300 (2021 - £5,488,000).

Derivative risk

Where a Fund trades in derivatives to achieve its investment objective, this involves a higher degree of risk and may lead to a higher volatility in the share prices of the Fund. The Authorised Corporate Director employs a risk management process to allow the Authorised Corporate Director to measure derivative and forward positions and their contribution to the overall risk profile of the Fund. As part of this risk management process the Authorised Corporate Director conducts daily value at risk analysis of the Fund and performs both stress and back testing of the Fund.

Foreign currency risk

Where a portion of the net assets of the Fund are denominated in currencies other than sterling the balance sheet and total return can be affected by currency movements. Therefore the Authorised Corporate Director may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the Fund's exposure to currency risk is reduced.

Revenue received in other currencies is translated to sterling on or near the date of receipt. The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the Collective Investment Schemes sourcebook.

Credit risk

Certain transactions in securities that the Fund enters into expose it to the risk that the counterparty will not deliver the investment for a purchase, or cash for a sale after the Fund has fulfilled its responsibilities. The Fund only buys and sells investments through brokers which have been approved by the Authorised Corporate Director as an acceptable counterparty. In addition, limits are set to the exposure to any individual broker that may exist at any time and changes in brokers' financial ratings are reviewed.

Interest rate risk

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

The Fund may invest in fixed rate securities. The revenue of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the Authorised Corporate Director being unable to secure similar returns on the expiry of contracts or sale of securities.

The value of interest bearing securities may be affected by interest rate movements or the expectation of such movements in the future.

Interest receivable on bank deposits or payable on bank overdraft positions will be affected by fluctuations in interest rates.

Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average Rate. Foreign currency bank balances and amounts held or overdrawn at futures clearing houses and brokers bear interest at rates based on the Sterling Overnight Index Average Rate or its international equivalent.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Derivatives

During the year the Fund entered into derivative contracts for specific investment purposes in addition to being used for efficient management.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

Global risk exposure

Absolute VaR approach

The approach used for the Funds managed with an absolute return target, an absolute volatility limit or a target of outperforming an interest rate benchmark.

Regulatory VaR limit utilisation

	2022			2021		
	Lowest	Highest	Average	Lowest	Highest	Average
	13.80%	19.69%	16.65%	13.90%	24.73%	20.18%

Information on VaR Model

Model type	Length of data history	2022		Holding period	2021	
		Confidence level	Holding period		Confidence level	Holding period
Parametric VaR	All available History	99.00%	20 days	All available History	99.00%	20 days

Leverage

Information on the limit usage and level of leverage

The level of leverage is an indication of the derivative usage and of any leverage generated by the reinvestment of cash received as collateral when using efficient portfolio management techniques. It does not take into account other physical assets directly held in the portfolio of the Fund. The figure is not representative of the maximum amount that a Fund could lose, as it includes the derivatives used to protect the Net Asset Value of a Fund as well as the derivatives backed by risk free assets and derivatives which do not generate any incremental exposure, leverage or market risk from an economic perspective. The reported leverage figure is therefore not a true representation of the economic leverage¹ in the Fund.

The level of leverage disclosed is based on the total notional value² of all derivative instruments held by a Fund and is expressed as a percentage of the Fund's Net Asset Value. For the purpose of this calculation the holdings and offset derivative positions (long and short positions) do not cancel each other out and the figure is a sum of the total holdings.

Leverage

	2022				2021			
	Lowest	Highest	Average	Leverage 31 December	Lowest	Highest	Average	Leverage 31 December
	167.12%	595.15%	280.43%	209.11%	199.28%	633.57%	328.57%	237.75%

1 Where economic leverage is the sum of derivative commitments (calculated in line with European Securities and Markets Authority 10/788) and excludes derivatives used within hedging arrangements, derivatives whose commitments is covered by risk free assets and derivatives which are not considered to generate any incremental exposure and leverage or market risk.

2 Delta adjusted in line with European Securities and Markets Authority 10/788 when appropriate.

17 Debt securities credit analysis

	2022 £000's	2021 £000's
Investment grade securities	9,718	12,094
Total debt securities	9,718	12,094

18 Direct transaction costs

No transaction costs on the purchase or sale of investments were incurred by the Fund during the year or prior year. The total purchases for the year amounted to £27,555,947 (2021 - £64,792,932) and the total sales amounted to £46,047,044 (2021 - £113,959,793).

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was Nil (2021 - Nil).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

19 Shares in issue reconciliation

	Number of shares in issue 31.12.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 31.12.22
I Income shares	34,215,099	-	-	-	34,215,099
L Accumulation shares	420,831	57,870	(66,025)	-	412,676
L Income shares	75,503	7,870	(37,218)	-	46,155
S Accumulation shares	-	3,000	-	68,503	71,503
X Accumulation shares	67,792,042	3,121,503	(33,234,031)	-	37,679,514
X Income shares	2,000	-	-	-	2,000
Z Accumulation shares	569,954	97,137	(275,825)	(68,849)	322,417
Z Income shares	5,771	6,990	(1,797)	-	10,964

20 Counterparty exposure

The types of non-exchange traded derivatives held at the balance sheet date were forward foreign currency contracts, commodity index swaps and options contracts. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Commodity index total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
ANZ										
2022	-	-	-	-	-	-	-	-	-	-
2021	(3)	-	-	-	-	-	-	-	-	(3)
Bank of America										
2022	(16)	-	-	-	-	-	-	-	-	(16)
2021	1	-	-	-	-	-	-	-	-	1
Barclays										
2022	(2)	-	-	-	-	-	-	-	-	(2)
2021	(1)	-	-	-	-	-	-	-	-	(1)
BNP Paribas										
2022	2	-	-	-	-	-	-	-	-	2
2021	7	-	-	-	-	-	-	-	-	7
Canadian Imperial Bank of Commerce										
2022	-	-	-	-	-	-	-	-	-	-
2021	17	-	-	-	-	-	-	-	-	17
Citigroup										
2022	-	-	-	-	-	-	-	-	-	-
2021	(8)	-	-	-	-	-	-	(2)	-	(10)
Deutsche Bank										
2022	-	-	-	-	-	-	-	-	-	-
2021	37	-	-	-	-	-	-	-	-	37
Goldman Sachs										
2022	(12)	-	-	-	-	-	-	-	-	(12)
2021	30	-	-	-	-	-	-	-	-	30
HSBC										
2022	1	-	-	-	-	-	-	-	-	1
2021	(8)	-	-	-	-	-	-	-	-	(8)
J.P. Morgan										
2022	(48)	-	-	-	-	(2)	-	-	-	(50)
2021	69	-	-	-	-	(27)	-	(2)	-	40

Notes to the Accounts

For the year ended 31 December 2022 (continued)

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Commodity index total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
Lloyds Bank										
2022	-	-	-	-	-	-	-	-	-	-
2021	(3)	-	-	-	-	-	-	-	-	(3)
Morgan Stanley										
2022	37	-	-	-	-	-	-	-	-	37
2021	(7)	-	-	-	-	-	-	(5)	-	(12)
Royal Bank of Canada										
2022	-	-	-	-	-	-	-	-	-	-
2021	13	-	-	-	-	-	-	-	-	13
Standard Chartered										
2022	7	-	-	-	-	-	-	-	-	7
2021	(11)	-	-	-	-	-	-	-	-	(11)
State Street										
2022	(11)	-	-	-	-	-	-	-	-	(11)
2021	1	-	-	-	-	-	-	-	-	1
UBS										
2022	163	-	-	-	-	-	-	-	-	163
2021	5	-	-	-	-	-	-	-	-	5

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

21 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 December 2022, the price of each share class has changed as follows:

	Dealing price 21.4.23	Dealing price 30.12.22	% change
I Income shares	48.27p	47.88p	0.81
L Accumulation shares	50.28p	49.11p	2.38
L Income shares	48.31p	47.83p	1.00
S Accumulation shares	50.43p	49.22p	2.46
X Accumulation shares	51.97p	50.68p	2.55
X Income shares	48.40p	48.19p	0.44
Z Accumulation shares	50.11p	48.96p	2.35
Z Income shares	48.21p	47.78p	0.90

Subsequent to the balance sheet date the Board of Directors took steps to review the Fund's operations and the future of the Fund is now under consideration.

Distribution Tables

Final distribution for the year ended 31 December 2022

Group 1 Shares purchased prior to 1 January 2022

Group 2 Shares purchased on or after 1 January 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
I Income shares				
Group 1	0.7447p	-	0.7447p	0.5871p
Group 2	0.7447p	-	0.7447p	0.5871p
L Accumulation shares				
Group 1	0.7086p	-	0.7086p	0.5378p
Group 2	0.6777p	0.0309p	0.7086p	0.5378p
L Income shares				
Group 1	0.6409p	-	0.6409p	0.5350p
Group 2	0.6156p	0.0253p	0.6409p	0.5350p
X Accumulation shares				
Group 1	1.0174p	-	1.0174p	0.8506p
Group 2	0.5263p	0.4911p	1.0174p	0.8506p
X Income shares				
Group 1	1.0020p	-	1.0020p	0.8570p
Group 2	1.0020p	-	1.0020p	0.8570p
Z Accumulation shares				
Group 1	0.6865p	-	0.6865p	0.5191p
Group 2	0.6845p	0.0020p	0.6865p	0.5191p
Z Income shares				
Group 1	0.6865p	-	0.6865p	0.5500p
Group 2	0.6865p	-	0.6865p	0.5500p

Final distribution for the period ended 31 December 2022

Group 1 Shares purchased on 7 September 2022

Group 2 Shares purchased after 7 September 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share
S Accumulation shares			
Group 1	0.6457p	-	0.6457p
Group 2	0.6457p	-	0.6457p

Equalisation

Equalisation applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Securities Financing Transactions (unaudited)

The Fund engaged in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, these include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions, margin lending transactions and Total Return Swaps). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to Securities Financing Transactions (SFTs) for the accounting year ended 31 December 2022 are detailed below.

Global data

Amount of assets engaged in each type of SFTs and Total Return Swaps

The following table represents the fair value of assets engaged in each type of SFTs (including Total Return Swaps) in the Fund currency.

	Amount of assets £000's	% of AUM
Total Return Swaps	(2)	-0.01%

Concentration data

Ten largest collateral issuers

As at 31 December 2022, there are no collateral securities and commodities received in respect of Total Return Swaps.

Top ten counterparties

The following table provides details of the top ten counterparties (based on gross volume of outstanding transactions), in respect of SFTs and Total Return Swaps, as at the reporting date.

Counterparty	Outstanding Transactions £000's
Total Return Swaps	
J.P. Morgan	(2)

Aggregate transaction data

Type and quality of collateral

As at the balance sheet date, no collateral was received in respect of Total Return Swaps.

Maturity tenor of collateral

As at the balance sheet date, no collateral was received in respect of Total Return Swaps.

Currency of collateral

As at the balance sheet date, no collateral was received in respect of Total Return Swaps.

Maturity tenor of SFTs and Total Return Swaps

The following table provides an analysis of the maturity tenor in respect to SFTs and Total Return Swaps, as at the reporting date.

Maturity	Less than 1 day £000's	1 to 7 days £000's	1 to 4 weeks £000's	1 to 3 months £000's	3 to 12 months £000's	More than 1 year £000's	Open maturity £000's	Total £000's
Total Return Swaps	-	-	(2)	-	-	-	-	(2)

Country in which counterparties are established

The following table provides details of the country of incorporation of counterparties across all SFTs and Total Return Swaps, as at the reporting date.

Counterparty	Country of Incorporation
J.P. Morgan	United Kingdom

Settlement and clearing

Type	Settlement	Total Value outstanding £000's
Total Return Swaps	Bilateral	(2)

Securities Financing Transactions (unaudited)

(continued)

Safekeeping of collateral

Collateral received

As at the balance sheet date, no collateral was received in respect of Total Return Swaps.

Collateral granted

As at the balance sheet date, no collateral was granted in respect of Total Return Swaps.

Return and cost

Gross Return

All returns from Total Return Swaps transactions accrue to the Fund and are not subject to any returns sharing arrangements with the Authorised Corporate Director or any other third party. Returns from those instruments are disclosed in note 2 to the financial statements.

	Total Return Swaps return* £000's	% of overall returns
Net realised gains	373	93.72
Net change in unrealised losses	25	6.28
Total	398	100.00

*Expressed in absolute terms.

Schroder India Equity Fund

Fund Information

Investment objective and policy

Schroder India Equity Fund (the 'Fund') aims to provide capital growth in excess of the MSCI India (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of Indian companies.

The Fund invests at least 80% of its assets in equity and equity related securities of Indian companies or companies which have their principal business activities in India. Typically, the Fund holds 30 to 70 companies.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including other Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus).

Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI India (Net Total Return) index. The Investment Adviser invests on a discretionary basis and is not limited to investing in accordance with the composition of this benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Review of Investment Activities

From 31 December 2021 to 30 December 2022, the price of Z Accumulation shares on a dealing price basis fell 11.91%. In the same period, the MSCI India Index generated a net return of 3.64%¹ in sterling terms.

Over the period, the Fund has reduced its underweight in the information technology sector and reduced its overweight position in health care and consumer discretionary sectors. The Fund has increased its overweight position in the materials sector. The exposure to energy and real estate sectors continues to remain zero. The Fund has diversified its holdings by adding a few new investments like Mahindra and Mahindra, Apollo Hospitals Enterprise and Tube Investments of India among others in different sectors. The Fund has exited its positions amongst others in IT major Wipro and auto ancillary Endurance Technologies. Some other small positions were also trimmed.

While Indian equities have fared better relative to other emerging markets, markets have been volatile and generated negative returns. India's premium to other emerging markets has reduced recently with liquidity rotating to other markets and rich valuations in Indian equity. After a couple of years of outperformance, Indian markets are likely to face some pressure in the near term. The Fund continues to be biased towards quality and growth. The allocations to stocks across portfolios reflect assessments of individual company earnings potential and their respective ability to outperform broader sectors over the medium to long term. The strategy remains stock specific and sector or index agnostic.

Fund Manager: Asian Investment Team

The Fund is managed by the Schroders Asian investment team and advised by Axis AMC, who have eleven investment professionals based in Mumbai

Axis AMC is a joint venture between Axis Bank and Schroders

¹ Source: Refinitiv Eikon Datastream.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Risk Profile

Risk and reward indicator



The risk category was calculated using simulated historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Comparative Table

Financial year to 31 December	L Accumulation shares			X Accumulation shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	69.36	56.22	49.25	70.72	56.88	49.46
Return before operating charges*	(7.35)	13.66	7.41	(7.52)	13.87	7.50
Operating charges	(0.55)	(0.52)	(0.44)	(0.03)	(0.03)	(0.08)
Return after operating charges*	(7.90)	13.14	6.97	(7.55)	13.84	7.42
Distributions**	-	-	-	(0.31)	(0.25)	(0.30)
Retained distributions**	-	-	-	0.31	0.25	0.30
Closing net asset value	61.46	69.36	56.22	63.17	70.72	56.88
*after direct transaction costs of	(0.05)	(0.07)	(0.08)	(0.05)	(0.07)	(0.08)
Performance						
Return after charges (%)	(11.39)	23.37	14.15	(10.68)	24.33	15.00
Other information						
Closing net asset value (£000's)	1	1	1	26,112	36,307	29,200
Closing number of shares	2,000	2,000	2,000	41,337,000	51,337,000	51,337,000
Operating charges (%)	0.87	0.87	1.00	0.05	0.05	0.18
Direct transaction costs (%)***	0.08	0.11	0.17	0.08	0.11	0.17
Prices						
Highest dealing price	71.48p	72.81p	56.38p	73.30p	74.17p	57.04p
Lowest dealing price	57.55p	53.77p	37.66p	58.90p	54.43p	37.88p

Comparative Table (continued)

Financial year to 31 December	Z Accumulation shares		
	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value			
Opening net asset value	69.18	56.14	49.26
Return before operating charges*	(7.32)	13.65	7.40
Operating charges	(0.62)	(0.61)	(0.52)
Return after operating charges*	(7.94)	13.04	6.88
Distributions**	-	-	-
Closing net asset value	61.24	69.18	56.14
*after direct transaction costs of	(0.05)	(0.07)	(0.08)
Performance			
Return after charges (%)	(11.48)	23.23	13.97
Other information			
Closing net asset value (£000's)	1,920	2,071	707
Closing number of shares	3,134,347	2,993,081	1,258,534
Operating charges (%)	0.95	0.95	1.07
Direct transaction costs (%)***	0.08	0.11	0.17
Prices			
Highest dealing price	71.25p	72.64p	56.31p
Lowest dealing price	57.38p	53.69p	37.65p

** These figures have been rounded to 2 decimal places.

*** Direct transaction costs have been stated after deducting the proportion of the amounts collected from dilution adjustments.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Statement

	Holding at 31.12.22	Market Value £000's	% of net assets
Equities 97.60% (101.78%)			
Basic Materials 13.33% (8.44%)			
Clean Science & Technology	19,338	291	1.04
Navin Fluorine International	4,194	172	0.61
PI Industries	39,360	1,355	4.84
Pidilite Industries	55,953	1,435	5.12
Schaeffler India	2,277	62	0.22
Tube Investments of India	15,255	421	1.50
Vardhman Textiles [^]	110	0	0.00
		3,736	13.33
Consumer Discretionary 19.71% (22.25%)			
Avenue Supermarts	62,751	2,555	9.11
FSN E-Commerce Ventures	23,994	37	0.13
Go Fashion India	6,498	78	0.28
Indian Hotels	76,849	246	0.88
Mahindra & Mahindra	68,980	867	3.09
Motherson Sumi Wiring India	1,050,579	614	2.19
Sona Blw Precision Forgings	109,628	462	1.65
TTK Prestige	82,967	667	2.38
		5,526	19.71
Consumer Staples 4.84% (4.74%)			
Nestle India	6,895	1,357	4.84
		1,357	4.84
Financials 27.98% (26.72%)			
Bajaj Finance	32,043	2,117	7.55
Bajaj Finserv	17,132	266	0.95
Cholamandalam Investment and Finance	131,112	956	3.41
HDFC Bank	33,980	557	1.99

	Holding at 31.12.22	Market Value £000's	% of net assets
Housing Development Finance	49,978	1,327	4.73
Kotak Mahindra Bank	75,498	1,385	4.94
MAS Financial Services	23,516	191	0.68
Sundaram Finance	45,158	1,045	3.73
		7,844	27.98
Health Care 8.05% (10.94%)			
Apollo Hospitals Enterprise	12,507	562	2.00
Divi's Laboratories	24,736	851	3.04
Gland Pharma	40,219	637	2.27
Vijaya Diagnostic Centre	47,537	208	0.74
		2,258	8.05
Industrials 5.63% (6.27%)			
Astral	36,727	723	2.58
Delhivery	1,333	4	0.01
Shree Cement	3,251	760	2.71
Sumitomo Chemical India	18,437	91	0.33
		1,578	5.63
Technology 14.24% (18.00%)			
Coforge	12,469	485	1.73
Info Edge India	35,240	1,386	4.95
Tata Consultancy Services	57,775	1,889	6.74
Zomato	386,505	231	0.82
		3,991	14.24
Utilities 3.82% (4.42%)			
Torrent Power	217,145	1,071	3.82
		1,071	3.82
Equities total		27,361	97.60
Portfolio of investments		27,361	97.60
Net other assets		672	2.40
Net assets attributable to shareholders		28,033	100.00

The comparative percentage figures in brackets are as at 31 December 2021.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

[^] Unlisted, suspended or delisted security.

Statement of Total Return

For the year ended 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Income					
Net capital (losses)/gains	2		(4,913)		7,935
Revenue	3	205		189	
Expenses	4	(34)		(30)	
Net revenue before taxation		171		159	
Taxation	5	555		(758)	
Net revenue/(expense) after taxation			726		(599)
Total return before distributions			(4,187)		7,336
Distributions	6		(138)		(128)
Change in net assets attributable to shareholders from investment activities			(4,325)		7,208

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	2022		2021	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		38,379		29,908
Amounts receivable on issue of shares	747		1,904	
Amounts payable on cancellation of shares	(6,912)		(769)	
		(6,165)		1,135
Dilution adjustment		15		-
Change in net assets attributable to shareholders from investment activities		(4,325)		7,208
Retained distribution on Accumulation shares		129		128
Closing net assets attributable to shareholders		28,033		38,379

Balance Sheet

As at 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Assets					
Investments			27,361		39,063
Current assets					
Debtors	8		7		12
Cash and bank balances			1,248		881
Total assets			28,616		39,956
Liabilities					
Provisions for liabilities	9		(580)		(1,555)
Creditors					
Other creditors	10		(3)		(22)
Total liabilities			(583)		(1,577)
Net assets attributable to shareholders			28,033		38,379

Notes to the Accounts

For the year ended 31 December 2022

1 Accounting policies

Basis of preparation

The applicable accounting policies adopted by Schroder India Equity Fund are disclosed on pages 9 to 10.

2 Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	2022	2021
	£000's	£000's
Non-derivative securities	(4,806)	7,931
Forward foreign currency contracts	-	26
Foreign currency losses	(107)	(24)
Transaction costs	-	2
Net capital (losses)/gains	(4,913)	7,935

3 Revenue

	2022	2021
	£000's	£000's
Overseas dividends	202	177
Bank interest	3	-
Compensation	-	12
Total revenue	205	189

4 Expenses

	2022	2021
	£000's	£000's
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director fee	-	1
Schroders Annual Charge ^{1,2}	34	26
	34	27
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Safe custody fees	-	3
Total expenses	34	30

1 Fees such as the Authorised Corporate Director fee were paid separately to 28 February 2021. From 1 March 2021 these fees were replaced with the Schroders Annual Charge.

2 Audit fees including VAT for the financial year ending 2022 were £12,572 (2021 - £12,572).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

5 Taxation

Corporation tax has not been provided for as expenses payable by the Fund exceed the revenue liable to corporation tax.

(a) Analysis of the tax charge for the year

	2022	2021
	£000's	£000's
Indian capital gains tax	378	188
Overseas withholding tax	42	39
Total current tax	420	227
Deferred tax		
Indian capital gains tax	(975)	531
Total taxation (Note 5(b))	(555)	758

(b) Factors affecting the total tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for Open Ended Investment Companies of 20% (2021 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2022	2021
	£000's	£000's
Net revenue before taxation	171	159
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	34	32
Effects of:		
Revenue not subject to corporation tax	(40)	(36)
Movement in excess management expenses	6	4
Overseas withholding tax	42	39
Overseas capital gains tax	(597)	719
Current tax charge for the year (Note 5(a))	(555)	758

(c) Provision for deferred tax

	2022	2021
	£000's	£000's
Provision at the start of the period	1,555	1,024
Movement in deferred tax for the year (Note 5(a))	(975)	531
Provision at the end of the year	580	1,555

(d) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £15,846 (2021 – £9,884) in respect of unutilised management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year.

6 Distributions

The distributions take account of revenue deducted on the cancellation of shares, and comprise:

	2022	2021
	£000's	£000's
Final Dividend distribution	129	128
Add: Revenue deducted on cancellation of shares	9	–
Distributions	138	128
Net revenue/(expense) after taxation	726	(599)
Indian capital gains tax	(597)	719
Deficit taken to capital	9	8
Distributions	138	128

Details of the distributions per share are set out in the Distribution Table on page 224.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

7 Fair value hierarchy

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Basis of valuation	2022		2021	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	27,361	-	39,063	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	27,361	-	39,063	-

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Authorised Corporate Director has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Authorised Corporate Director of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Authorised Corporate Director with particular attention paid to the carrying value of the investments.

8 Debtors

	2022 £000's	2021 £000's
Amounts receivable for issue of shares	7	12
Total debtors	7	12

9 Provision for liabilities

	2022 £000's	2021 £000's
Provision for Indian capital gains tax	580	1,555
Total provisions for liabilities	580	1,555

The deferred tax liability provision at the balance sheet date of £580,000 (2021 - 1,555,000) relates to a potential liability for Indian capital gains tax that may arise on the Fund's Indian investments should they be sold in the future, based on the net unrealised taxable capital gain at the period end and on enacted Indian tax rates. The amount of any future tax amounts payable may differ from this provision, depending on the value and timing of any future sales of such investments and future Indian tax rates.

10 Other creditors

	2022 £000's	2021 £000's
Amounts payable for cancellation of shares	-	19
Accrued expenses	3	3
Total other creditors	3	22

11 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2021 - Nil).

12 Related party transactions

The Authorised Corporate Director provides key management personnel services for the Fund and is therefore considered a related party.

Amounts paid during the year or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies paid through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 49.58% (2021 – 58.98%).

13 Share classes

At the reporting date the Fund had three share classes. The costs and expenses due to the Manager are referred to as the Schroders Annual Charge. Details of the charges applied to each share class can be found in the prospectus.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on pages 214 to 215.

The distributions per share class are given in the Distribution Table on page 224.

All classes have the same rights on winding up.

14 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity and interest rate risks. The Authorised Corporate Director's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £2,736,100 (2021 - £3,906,300).

Foreign currency risk

Where a portion of the net assets of the Fund are denominated in currencies other than sterling the balance sheet and total return can be affected by currency movements. Therefore the Authorised Corporate Director may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the Fund's exposure to currency risk is reduced.

Revenue received in other currencies is translated to sterling on or near the date of receipt. The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Currency risk profile

The currency risk profile of the Fund's net assets and liabilities at the balance sheet date was as follows:

Currency	2022 £000's	2021 £000's
Indian rupee	27,361	39,073
Sterling	672	(694)

At the year end date, if the value of Sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £2,736,100 (2021 - £3,907,300).

Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the Collective Investment Schemes sourcebook.

Interest rate risk

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

Interest receivable on bank deposits positions will be affected by fluctuations in interest rates.

At the year end date 4.45% (2021 – 2.30%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average Rate. Foreign currency bank balances bear interest at rates based on the Sterling Overnight Index Average Rate or its international equivalent.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Global risk exposure

Commitment approach

When using derivatives, the Authorised Corporate Director uses a risk management process that enables it to monitor the risk of a Fund's derivative positions. The global risk exposure of a Fund is calculated daily either by means of the commitment approach or the Value-at-Risk (VaR) approach.

Under the commitment approach, the global risk exposure is defined as the underlying market value of derivatives, after netting and hedging as permitted by the regulation, not exceeding the Net Asset Value of a Fund. This is typically used on Funds where derivative usage is low or Funds which limit their derivatives commitment to 100% or less of their Net Asset Value.

The global risk exposure of the Fund is calculated using the commitment approach. During the year ended 31 December 2022 the global risk exposure of the Fund did not exceed 100% of its Net Asset Value. The lowest, highest, average and actual level of leverage for the Fund as at the balance sheet date was as follows:

Notes to the Accounts

For the year ended 31 December 2022 (continued)

Leverage

	2022				2021			
	Lowest	Highest	Average	Leverage 31 December	Lowest	Highest	Average	Leverage 31 December
	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%

15 Direct transaction costs

In the case of shares, broker commissions and transfer taxes/stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	6,524	5	7	6,536	0.08	0.11
Sales						
Equities	13,457	(10)	(15)	13,432	(0.07)	(0.11)
Total cost of the Fund's average net asset value (%)		0.04	0.07			

2021	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Purchases ¹ :						
Equities	11,770	8	13	11,791	0.07	0.11
Corporate actions purchases:						
Equities	2	-	-	2	-	-
	11,772	8	13	11,793		
Sales						
Equities	9,577	(7)	(11)	9,559	(0.07)	(0.11)
Total cost of the Fund's average net asset value (%)		0.04	0.07			

1 Excluding corporate actions.

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.10% (2021 – 0.12%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

16 Shares in issue reconciliation

	Number of shares in issue 31.12.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 31.12.22
L Accumulation shares	2,000	-	-	-	2,000
X Accumulation shares	51,337,000	-	(10,000,000)	-	41,337,000
Z Accumulation shares	2,993,081	1,134,087	(992,821)	-	3,134,347

Notes to the Accounts

For the year ended 31 December 2022 (continued)

17 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 December 2022, the price of each share class has changed as follows:

	Dealing price 21.4.23	Dealing price 30.12.22	% change
L Accumulation shares	58.37p	61.48p	(5.06)
X Accumulation shares	60.16p	63.19p	(4.80)
Z Accumulation shares	58.16p	61.26p	(5.06)

Distribution Table

Final distribution for the year ended 31 December 2022

Group 1 Shares purchased prior to 1 January 2022

Group 2 Shares purchased on or after 1 January 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
L Accumulation shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
X Accumulation shares				
Group 1	0.3119p	-	0.3119p	0.2496p
Group 2	0.3119p	-	0.3119p	0.2496p
Z Accumulation shares				
Group 1	-	-	-	-
Group 2	-	-	-	-

Equalisation

Equalisation applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Schroder Islamic Global Equity Fund

Fund Information

Investment objective and policy

Schroder Islamic Global Equity Fund (the 'Fund') aims to provide capital growth in excess of the Dow Jones Islamic Market World (Net Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity-related securities of companies worldwide.

The Fund is actively managed and invests its assets in equity and equity-related securities of Shariah compliant companies worldwide. The Fund also focuses on a range of equity factors (also commonly known as investment styles). Companies will be simultaneously assessed on all targeted equity factors using a fully integrated systematic, bottom-up investment approach.

The Fund will focus on a range of equity factors (also commonly known as investment styles) that may include the following:

Low volatility – involves evaluating indicators such as share price movement and historical performance to determine those securities that the Investment Adviser believes will experience smaller price movements than the global equity markets on average.

Momentum – involves evaluating trends in stocks, sectors or countries within the relevant equity market.

Quality – involves evaluating indicators such as a company's profitability, stability and financial strength.

Value – involves evaluating indicators such as cash flows, dividends and earnings to identify securities that the Investment Adviser believes have been undervalued by the market.

Small cap – involves investing in small-sized companies being companies that, at the time of purchase, are considered to be in the bottom 30% by market capitalisation of the global equity market and exhibit attractive characteristics based on the styles described above.

The Fund may also hold cash.

The Fund may also hold warrants acquired as a result of corporate actions performed by the issuers of the Fund's equity holdings. The Fund will not otherwise invest in warrants.

The Fund will not use derivatives.

The Fund is limited to investing in accordance with the composition of the benchmark but has the discretion to vary the weightings in the benchmark's securities.

Fund characteristics

The Fund's performance should be assessed against its constraining benchmark being the Dow Jones Islamic Market World (Net Total Return) index and compared against the Investment Association Global sector average return. The Investment Adviser is limited to investing in accordance with the composition of the benchmark but has the discretion to vary the weightings in the benchmark's securities. The benchmark has been selected because the Investment Adviser is constrained by reference to the value, price or components of that benchmark as stated in the investment objective. The comparator benchmark has been selected because the Investment Manager and the Manager believe that the benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Review of Investment Activities

From 31 December 2021 to 30 December 2022, the price of Z Accumulation shares on a dealing price basis fell 12.08%. In the same period, the Dow Jones Islamic Market World Index generated a negative return of 14.69%¹.

The start of the 12-month period began with the Omicron variant of Covid-19 hitting many countries around the world. Many countries re-imposed some form of travel restrictions although these generally were not as prolonged as in earlier phases of the pandemic. In late 2021, concerns were already building over rising inflation and the possible need for major central banks to raise interest rates swiftly. Those inflation worries were exacerbated by Russia's invasion of Ukraine in February 2022. As well as causing untold human suffering, the invasion also sparked Western nations to impose sanctions on Russian oil and other commodities, which fed through into further price rises.

In response to the unfortunate events related to the war, we reduced our exposure to Russia and temporarily paused all trading in mid-February.

The year started well for style factors. It was encouraging to see the continued outperformance of cheaper, higher quality stocks as our Value and Profitability measures respectively picked up where they left off at the end of 2021. The events in Ukraine put a damper on the equity rally and most investment styles. However, Value stocks were resilient as markets fell, ending the year as the largest contributor to excess returns. Our Governance measures also managed to post consistent gains over the period and Low Volatility stocks also provided an additional source of excess returns leaving the Fund ahead of its benchmark in 2022.

In terms of portfolio activity over the period, in November, we added a new environmental alpha signal focusing on carbon intensity and a new social alpha signal that assesses the amount companies spend on research and development (R&D). The international commitment to limit global temperature increases as close as possible to 1.5 degrees Celsius has prompted more countries and companies to establish carbon neutrality targets. Companies that are able to meet the ambitious climate goals set by the Paris Agreement will most likely be rewarded in the market. As such, we believe adding this signal to our stock selection model will enhance returns by helping us tilt towards companies that are further along in their net zero trajectory. Likewise, we believe that adding a R&D signal to our model will help enhance future returns. There is a large body of research that finds a strong positive link between R&D spending and subsequent profitability even after adjusting for size and other factor effects. Finally, we implemented portfolio construction enhancements to help improve the diversification profile of the strategy.

Fund Manager:

Schroders Systematic Investment Team led by Ashley Lester, PhD.

The Schroders Systematic Investments Team was established in 2011 and manages around £17 billion (as at 31 December 2022) across a range of quantitative equity strategies

The investment team consists of 13 members based in London

¹ Source: Refinitiv Eikon Datastream.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Risk Profile

Risk and reward indicator



The risk category was calculated using simulated historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment.

The risk and reward indicator changed from 5 to 6 with effect from 10 October 2022.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Comparative Table

Financial year to 31 December	Q2 Accumulation shares ¹			Z Accumulation shares ²		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	65.47	52.09	50.00	63.42	50.54	50.00
Return before operating charges*	(7.66)	13.61	2.11	(7.41)	13.21	0.55
Operating charges	(0.24)	(0.23)	(0.02)	(0.32)	(0.33)	(0.01)
Return after operating charges*	(7.90)	13.38	2.09	(7.73)	12.88	0.54
Distributions**	(1.02)	(0.84)	(0.08)	(0.90)	(0.73)	(0.04)
Retained distributions**	1.02	0.84	0.08	0.90	0.73	0.04
Closing net asset value	57.57	65.47	52.09	55.69	63.42	50.54
*after direct transaction costs of	(0.04)	(0.04)	(0.02)	(0.04)	(0.04)	(0.02)
Performance						
Return after charges (%)	(12.07)	25.69	4.18	(12.19)	25.48	1.08
Other information						
Closing net asset value (£000's)	134,246	156,786	127,218	9,293	5,492	1
Closing number of shares	233,167,653	239,464,861	244,230,896	16,688,651	8,658,559	2,000
Operating charges (%)	0.40	0.40	0.40	0.55	0.55	0.53
Direct transaction costs (%)	0.07	0.06	0.04	0.07	0.06	0.04
Prices						
Highest dealing price	65.69p	65.95p	53.12p	63.64p	63.90p	51.53p
Lowest dealing price	54.80p	52.03p	50.00p	53.05p	50.48p	50.00p

** These figures have been rounded to 2 decimal places.

1 Q2 Accumulation shares launched on 10 November 2020.

2 Z Accumulation shares launched on 4 December 2020.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Statement

	Holding at 31.12.22	Market Value £000's	% of net assets
Equities 99.32% (99.46%)			
Australia 2.71% (1.59%)			
BHP Group (AUD)	14,961	385	0.27
BHP Group (GBP)	62,112	1,596	1.11
Brambles	160,395	1,091	0.76
Deterra Royalties	62,178	161	0.11
Fortescue Metals Group	56,733	656	0.46
		3,889	2.71
Bermuda 0.00% (0.08%)			
Brazil 0.38% (0.88%)			
Odontoprev	204,805	291	0.20
Vale	18,659	261	0.18
		552	0.38
Canada 1.03% (1.40%)			
Constellation Software	265	342	0.24
Dollarama	16,279	796	0.55
Enerplus	10,297	151	0.11
Magna International	513	24	0.02
Parex Resources	12,781	158	0.11
		1,471	1.03
Cayman Islands 2.41% (2.00%)			
Alibaba Group Holding ADR	730	53	0.04
GlobalFoundries	17,834	789	0.55
Greentown Management Holdings	299,000	191	0.13
KE Holdings ADR	3,381	39	0.03
Kingboard Laminates Holdings	30,500	28	0.02
Kingsoft Cloud Holdings ADR	7,884	25	0.02
Li Auto A	65,100	533	0.37
Niu Technologies	8,769	38	0.02
Taigen Biopharmaceuticals Holdings	256,000	111	0.08
Tencent Holdings	25,300	900	0.63
Topsports International Holdings	1,092,000	720	0.50
XPeng A	8,878	36	0.02
		3,463	2.41
China 1.16% (0.90%)			
BYD H	3,500	72	0.05
Haier Smart Home H	251,200	710	0.50
Nongfu Spring H	187,600	880	0.61
		1,662	1.16
Denmark 1.30% (2.32%)			
Novo Nordisk B	16,687	1,870	1.30
		1,870	1.30
Finland 0.51% (0.56%)			
Kone B	17,032	731	0.51
		731	0.51
France 2.09% (0.76%)			
Gaztransport Et Technigaz	6,491	575	0.40

	Holding at 31.12.22	Market Value £000's	% of net assets
Hermes International	612	783	0.55
L'Oreal	1,223	362	0.25
Safran	12,378	1,284	0.89
		3,004	2.09
Germany 0.76% (0.00%)			
BioNTech ADR	1,179	145	0.10
HUGO BOSS	19,557	941	0.66
		1,086	0.76
Greece 0.05% (0.00%)			
Hellenic Telecommunications Organization	5,210	67	0.05
		67	0.05
Guernsey 0.06% (0.05%)			
Amdocs	1,184	89	0.06
		89	0.06
Hong Kong 0.09% (0.33%)			
Morimatsu International Holdings	146,000	135	0.09
		135	0.09
India 0.95% (1.17%)			
Dr. Reddy's Laboratories ADR	2,058	88	0.06
GAIL India GDR	16,469	95	0.07
Infosys ADR	76,343	1,138	0.79
Wipro ADR	9,250	36	0.03
		1,357	0.95
Indonesia 0.36% (0.00%)			
Telkom Indonesia Persero	346,800	69	0.05
Unilever Indonesia	1,792,600	450	0.31
		519	0.36
Ireland 2.44% (3.73%)			
Accenture A	4,192	924	0.64
Eaton	5,694	742	0.52
James Hardie Industries CDI	22,591	336	0.23
Linde	320	86	0.06
Medtronic	9,307	597	0.42
nVent Electric	25,459	811	0.57
		3,496	2.44
Italy 0.03% (0.00%)			
Salvatore Ferragamo	3,185	46	0.03
		46	0.03
Japan 2.54% (2.14%)			
Amada	52,400	341	0.24
Astellas Pharma	29,100	368	0.26
Canon	38,800	698	0.49
Daito Trust Construction	900	77	0.05
dip	4,700	112	0.08
Hoya	3,300	264	0.18
Kewpie	5,000	75	0.05
Mandom	2,800	26	0.02
Meitec	4,000	60	0.04
MOS Food Services	9,800	189	0.13

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets
Nippon Gas	6,800	89	0.06
Open Up Group	2,900	31	0.02
OSG	25,500	292	0.20
Recruit Holdings	6,800	179	0.13
SCREEN Holdings	10,400	553	0.39
Suntory Beverage & Food	2,700	76	0.05
Visional	3,000	165	0.12
Yakult Honsha	900	48	0.03
		3,643	2.54
Jersey 0.01% (0.00%)			
WNS Holdings ADR	289	19	0.01
		19	0.01
Malaysia 0.01% (0.67%)			
United Plantations	5,900	17	0.01
		17	0.01
Netherlands 2.72% (2.94%)			
Adyen	810	926	0.64
ASML Holding	4,584	2,049	1.43
Koninklijke Philips	67,758	842	0.59
Wolters Kluwer	982	85	0.06
		3,902	2.72
New Zealand 0.42% (0.00%)			
Spark New Zealand	213,797	606	0.42
		606	0.42
Portugal 1.04% (0.74%)			
Jeronimo Martins	83,711	1,497	1.04
		1,497	1.04
South Africa 1.16% (1.06%)			
Kumba Iron Ore	24,307	583	0.41
Sibanye Stillwater	496,276	1,085	0.75
		1,668	1.16
South Korea 2.31% (1.34%)			
ABLBio	52,414	791	0.55
Daeduck Electronics	63,125	784	0.55
F&F	5,742	546	0.38
Samsung Electronics	28,249	1,027	0.72
SK Hynix	3,344	165	0.11
		3,313	2.31
Spain 0.69% (0.00%)			
Corp. ACCIONA Energias Renovables	30,867	990	0.69
		990	0.69
Sweden 0.77% (1.13%)			
Atlas Copco A	8,572	84	0.06
Epiroc A	12,265	185	0.13
H & M Hennes & Mauritz B	39,740	356	0.25
Volvo Car B	126,294	479	0.33
		1,104	0.77
Switzerland 3.14% (3.90%)			
Belimo Holding	49	19	0.01
Geberit	2,731	1,068	0.74
Kuehne + Nagel International	3,014	583	0.41
Nestle	5,653	544	0.38
Novartis	1,620	122	0.09

	Holding at 31.12.22	Market Value £000's	% of net assets
On Holding A	322	5	0.00
Roche Holding	6,626	1,729	1.20
SGS	34	66	0.05
TE Connectivity	3,902	371	0.26
		4,507	3.14
Taiwan 2.59% (2.28%)			
ASE Technology Holding	239,000	606	0.42
Compeq Manufacturing	19,000	23	0.02
Novatek Microelectronics	31,000	264	0.19
Taiwan Semiconductor Manufacturing	146,000	1,771	1.23
Tong Yang Industry	16,000	19	0.01
Unimicron Technology	214,000	695	0.49
United Integrated Services	7,000	34	0.02
Vanguard International Semiconductor	40,000	84	0.06
Wiwynn	10,000	215	0.15
		3,711	2.59
Thailand 0.11% (0.01%)			
PTT Exploration & Production NVDR	37,500	159	0.11
		159	0.11
Turkey 0.66% (0.94%)			
Baskent Dogalgaz Dagitim Gayrimenkul Yatirim Ortakligi	993,710	942	0.66
		942	0.66
United Kingdom 3.33% (4.57%)			
Anglo American	36,076	1,166	0.81
AstraZeneca	5,123	575	0.40
Bunzl	2,192	60	0.04
Compass Group	5,348	102	0.07
Howden Joinery Group	28,535	160	0.11
Intertek Group	2,730	110	0.08
Pagegroup	9,494	44	0.03
Rightmove	154,398	790	0.55
Rio Tinto	23,573	1,367	0.96
Unilever	9,584	401	0.28
		4,775	3.33
United States of America 61.49% (61.97%)			
3M	8,391	834	0.58
A O Smith	1,482	71	0.05
Abbott Laboratories	8,289	753	0.52
Adobe	1,860	516	0.36
Agilent Technologies	657	81	0.06
Airbnb A	7,715	544	0.38
Alphabet A	50,033	3,637	2.53
Amazon.com	35,053	2,420	1.69
Amgen	4,880	1,056	0.74
Apple	86,937	9,320	6.49

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets		Holding at 31.12.22	Market Value £000's	% of net assets
Applied Materials	1,093	88	0.06	Lowe's	3,072	506	0.35
Atlassian A	7,091	754	0.52	Manhattan Associates	2,183	219	0.15
AutoZone	379	777	0.54	Maravai LifeSciences Holdings A	43,729	517	0.36
Bio-Techne	1,088	74	0.05	Masco	3,732	145	0.10
Booking Holdings	812	1,354	0.94	Mastercard A	3,991	1,148	0.80
Bristol-Myers Squibb	25,911	1,531	1.07	Merck	14,650	1,345	0.94
Broadcom	2,910	1,343	0.94	Meta Platforms A	10,588	1,050	0.73
Cadence Design Systems	708	94	0.07	Mettler-Toledo International	503	600	0.42
CF Industries Holdings	10,848	769	0.54	Micron Technology	1,345	55	0.04
Chemed	220	92	0.06	Microsoft	36,322	7,223	5.03
Chevron	11,971	1,782	1.24	NIKE B	2,712	263	0.18
Cintas	331	124	0.09	Nucor	8,172	896	0.62
Cisco Systems	24,117	948	0.66	NVIDIA	7,623	919	0.64
Coca-Cola	34,653	1,829	1.27	O'Reilly Automotive	658	461	0.32
Cognizant Technology Solutions A	11,360	537	0.37	Otis Worldwide	12,056	783	0.55
Colgate-Palmolive	14,382	940	0.65	Palantir Technologies A	12,343	65	0.04
ConocoPhillips	7,304	713	0.50	PepsiCo	10,965	1,644	1.14
Crown Castle REIT	867	98	0.07	Pfizer	44,826	1,898	1.32
Danaher	506	111	0.08	Pioneer Natural Resources	93	18	0.01
Devon Energy	586	30	0.02	Premier A	9,659	279	0.19
DocuSign	1,181	54	0.04	Procter & Gamble	7,111	894	0.62
Dropbox A	39,367	726	0.51	Prologis REIT	2,941	276	0.19
Eli Lilly	3,433	1,038	0.72	Public Storage REIT	414	96	0.07
Emerson Electric	8,898	708	0.49	Quest Diagnostics	6,042	786	0.55
Enovis	24,045	1,072	0.75	Regeneron Pharmaceuticals	1,720	1,022	0.71
EOG Resources	4,054	435	0.30	Robert Half International	1,725	105	0.07
Equinix REIT	174	95	0.07	ROBLOX A	3,881	89	0.06
Etsy	5,689	560	0.39	ServiceNow	201	65	0.04
Expedia Group	11,481	833	0.58	Starbucks	102	8	0.01
Exxon Mobil	27,955	2,553	1.78	Tapestry	1,755	55	0.04
Fair Isaac	113	55	0.04	Target	1,649	204	0.14
Fortinet	19,011	767	0.53	Tesla	11,739	1,187	0.83
Fortive	849	45	0.03	Texas Instruments	7,859	1,072	0.75
Gartner	325	91	0.06	Thermo Fisher Scientific	209	95	0.07
Gilead Sciences	22,477	1,590	1.11	Trex	23,658	831	0.58
Hershey	5,623	1,081	0.75	Uber Technologies	13,992	285	0.20
Hologic	17,273	1,074	0.75	United Parcel Service B	4,564	661	0.46
Home Depot	5,264	1,380	0.96	Veeva Systems A	515	69	0.05
Honeywell International	4,727	838	0.58	VeriSign	4,664	789	0.55
HP	30,936	689	0.48	Vertex Pharmaceuticals	2,175	516	0.36
IDEXX Laboratories	1,091	368	0.26	Visa A	6,915	1,192	0.83
Illinois Tool Works	4,415	807	0.56	Walmart	7,207	848	0.59
Illumina	328	55	0.04	Waste Management	8,643	1,126	0.78
Intel	3,877	84	0.06	Waters	344	97	0.07
Johnson & Johnson	17,145	2,510	1.75	Weyerhaeuser REIT	8,682	224	0.16
Kimberly-Clark	3,956	446	0.31	Williams-Sonoma	2,972	285	0.20
KLA	173	54	0.04	WW Grainger	458	211	0.15
L3Harris Technologies	1,637	281	0.20				
Laboratory Corp. of America Holdings	355	69	0.05				
Louisiana-Pacific	21,134	1,042	0.73				

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets
Zillow Group C	19,901	526	0.37
		88,268	61.49

	Holding at 31.12.22	Market Value £000's	% of net assets
Equities total		142,558	99.32
Portfolio of investments		142,558	99.32
Net other assets		981	0.68
Net assets attributable to shareholders		143,539	100.00

The comparative percentage figures in brackets are as at 31 December 2021.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

Statement of Total Return

For the year ended 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Income					
Net capital (losses)/gains	2		(22,185)		31,096
Revenue	3	3,510		2,989	
Expenses	4	(635)		(601)	
Net revenue before taxation		2,875		2,388	
Taxation	5	(352)		(319)	
Net revenue after taxation			2,523		2,069
Total return before distributions			(19,662)		33,165
Distributions	6		(2,523)		(2,069)
Change in net assets attributable to shareholders from investment activities			(22,185)		31,096

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	2022		2021	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		162,278		127,219
Amounts receivable on issue of shares	8,596		8,231	
Amounts payable on cancellation of shares	(7,667)		(6,334)	
		929		1,897
Change in net assets attributable to shareholders from investment activities		(22,185)		31,096
Retained distribution on Accumulation shares		2,517		2,066
Closing net assets attributable to shareholders		143,539		162,278

Balance Sheet

As at 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Assets					
Investments			142,558		161,398
Current assets					
Debtors	8		210		130
Cash and bank balances			948		965
Total assets			143,716		162,493
Liabilities					
Creditors					
Bank overdrafts			-		(8)
Other creditors	9		(177)		(207)
Total liabilities			(177)		(215)
Net assets attributable to shareholders			143,539		162,278

Notes to the Accounts

For the year ended 31 December 2022

1 Accounting policies

Basis of preparation

The applicable accounting policies adopted by Schroder Islamic Global Equity Fund are disclosed on pages 9 to 10.

2 Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	2022	2021
	£000's	£000's
Non-derivative securities	(22,110)	31,107
Forward foreign currency contracts	(2)	5
Foreign currency losses	(73)	(7)
Transaction costs	-	(9)
Net capital (losses)/gains	(22,185)	31,096

3 Revenue

	2022	2021
	£000's	£000's
UK dividends	368	354
Overseas dividends	3,111	2,597
Real estate income distributions	31	38
Total revenue	3,510	2,989

4 Expenses

	2022	2021
	£000's	£000's
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director fee	-	75
Administration charge	(1)	2
Schroders Annual Charge ^{1,2}	604	473
	603	550
Payable to the Depository, associates of the Depository and agents of either of them:		
Depository's fees	-	2
Safe custody fees	-	2
Dividend expenses	1	1
	1	5
Other expenses:		
Audit fee ²	-	1
Professional fee	5	21
Shariah purification fee ³	26	24
	31	46
Total expenses	635	601

1 Fees such as the Authorised Corporate Director fee, Administration fee, Depository fee and Audit fee were paid separately to 28 February 2021. From 1 March 2021 these fees were replaced with the Schroders Annual Charge.

2 Audit fees including VAT for the financial year ending 2022 were £13,986 (2021 - £13,986).

3 **Purification of non-Shariah compliant income**

The Shariah Supervisory Board and the Shariah Adviser from time to time issues guidelines to quantify the annual amount of income of a Fund that should be donated to charity, being derived from eligible securities for investment pursuant to the investment objective, policy and restrictions set out in the prospectus, but that are engaged in an activity or activities of a marginal nature which are not Shariah-compliant and which are not screened out by the Shariah restrictions. Such amount is calculated on each relevant transaction, based on the purification ratios, expressed as a percentage of each target Fund's dividend payments. The resulting amount is donated to a charity. Any such amounts are deducted only upon their actual determination and no anticipated accrual thereof is made.

For the year ended 31 December 2022 and the year ended 31 December 2021, this amount was donated to the Islamic Relief Worldwide.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

5 Taxation

Corporation tax has not been provided for as expenses payable by the Fund exceed the revenue liable to corporation tax.

(a) Analysis of the tax charge for the year

	2022	2021
	£000's	£000's
Overseas withholding tax	352	319
Total current tax (Note 5(b))	352	319

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for Open Ended Investment Companies of 20% (2021 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2022	2021
	£000's	£000's
Net revenue before taxation	2,875	2,388
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	575	478
Effects of:		
Revenue not subject to corporation tax	(685)	(591)
Expenses not deductible for tax purposes	5	5
Movement in excess management expenses	106	109
Overseas withholding tax	352	319
Expensed withholding tax incurred	(1)	(1)
Current tax charge for the year (Note 5(a))	352	319

(c) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £227,105 (2021 – £121,122) in respect of unutilised management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year.

6 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2022	2021
	£000's	£000's
Final Dividend distribution	2,517	2,066
Add: Revenue deducted on cancellation of shares	74	51
Deduct: Revenue received on issue of shares	(68)	(48)
Distributions	2,523	2,069

Details of the distributions per share are set out in the Distribution Table on page 239.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

7 Fair value hierarchy

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Basis of valuation	2022		2021	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	142,558	-	161,398	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	142,558	-	161,398	-

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Authorised Corporate Director has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Authorised Corporate Director of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Authorised Corporate Director with particular attention paid to the carrying value of the investments.

8 Debtors

	2022	2021
	£000's	£000's
Amounts receivable for issue of shares	59	9
Accrued revenue	98	88
Overseas withholding tax recoverable	53	33
Total debtors	210	130

9 Other creditors

	2022	2021
	£000's	£000's
Amounts payable for cancellation of shares	123	157
Accrued expenses	54	50
Total other creditors	177	207

10 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2021 – Nil).

11 Related party transactions

The Authorised Corporate Director provides key management personnel services for the Fund and is therefore considered a related party.

Amounts paid during the year or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies received through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 0.02% (2021 – 0.02%).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

12 Share classes

At the reporting date the Fund had two share classes. The costs and expenses due to the Manager are referred to as the Schroders Annual Charge. Details of the charges applied to each share class can be found in the prospectus.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on page 228.

The distributions per share class are given in the Distribution Table on page 239.

All classes have the same rights on winding up.

13 Other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency and liquidity risks. The Authorised Corporate Director's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £14,255,800 (2021 - £16,139,800).

Foreign currency risk

Where a portion of the net assets of the Fund are denominated in currencies other than sterling the balance sheet and total return can be affected by currency movements. Therefore the Authorised Corporate Director may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the Fund's exposure to currency risk is reduced.

Revenue received in other currencies is translated to sterling on or near the date of receipt. The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Currency risk profile

The currency risk profile of the Fund's net assets and liabilities at the balance sheet date was as follows:

Currency	2022 £000's	2021 £000's
Australian dollar	2,628	3,576
Brazilian real	553	1,434
Canadian dollar	1,474	2,268
Danish krone	1,886	3,779
Euro	11,211	7,063
Hong Kong dollar	4,205	5,380
Indonesian rupiah	519	-
Japanese yen	3,660	3,496
Malaysian ringgit	17	1,095
New Zealand dollar	606	-
South African rand	1,668	1,723
South Korean won	3,337	2,183
Sterling	7,183	7,052
Swedish krona	1,104	1,839
Swiss franc	4,131	4,946
Taiwan dollar	3,832	3,705
Thai baht	159	18
Turkish lira	942	1,526
US dollar	94,424	111,195

At the year end date, if the value of Sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £13,635,600 (2021 - £15,522,600).

Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the Collective Investment Schemes sourcebook.

Interest rate risk

The Fund does not invest in fixed income securities, and therefore the Fund's portfolio is not exposed to interest rate risk.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

14 Direct transaction costs

In the case of shares, broker commissions and transfer taxes/stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	102,554	18	48	102,620	0.02	0.05
Sales						
Equities	99,391	(19)	(20)	99,352	(0.02)	(0.02)
Total cost of the Fund's average net asset value (%)		0.02	0.05			

2021	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	104,465	21	40	104,526	0.02	0.04
Sales						
Equities	100,703	(16)	(15)	100,672	(0.02)	(0.01)
Total cost of the Fund's average net asset value (%)		0.02	0.04			

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.09% (2021 – 0.11%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

15 Shares in issue reconciliation

	Number of shares in issue 31.12.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 31.12.22
Q2 Accumulation shares	239,464,861	5,859,001	(12,156,209)	–	233,167,653
Z Accumulation shares	8,658,559	8,834,797	(804,705)	–	16,688,651

16 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 December 2022, the price of each share class has changed as follows:

	Dealing price 21.4.23	Dealing price 30.12.22	% change
Q2 Accumulation shares	61.72p	57.79p	6.80
Z Accumulation shares	59.67p	55.89p	6.76

Distribution Table

Final distribution for the year ended 31 December 2022

Group 1 Shares purchased prior to 1 January 2022

Group 2 Shares purchased on or after 1 January 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
Q2 Accumulation shares				
Group 1	1.0153p	–	1.0153p	0.8363p
Group 2	0.4966p	0.5187p	1.0153p	0.8363p
Z Accumulation shares				
Group 1	0.8950p	–	0.8950p	0.7274p
Group 2	0.4538p	0.4412p	0.8950p	0.7274p

Equalisation

Equalisation applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Schroder UK-Listed Equity Income Maximiser Fund

Fund Information

Investment objective and policy

Schroder UK-Listed Equity Income Maximiser Fund (the 'Fund') aims to provide income by investing in equity and equity related securities of large UK companies.

The Fund aims to deliver an income of 7% per year but this is not guaranteed and could change depending on market conditions.

The Fund invests at least 80% of its assets in a passively managed portfolio from the top 100 listed UK companies by market capitalisation.

To seek to enhance the yield, the Investment Manager selectively sells short dated call options over individual securities held by the Fund, portfolios of securities or indices by agreeing strike prices above which potential capital growth is sold.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to Appendix III. Section 10: Derivatives and Forwards of the Prospectus).

The Fund's investment strategy will typically underperform a similar portfolio of equities without a derivative overlay in periods when the underlying equity prices are rising, and has the potential to outperform when the underlying equity prices are falling.

Fund characteristics

The Fund's performance should be assessed against its target benchmark of 7% income per year, and compared against the FTSE 100 (Net Total Return) index and the Investment Association UK Equity Income sector average return. The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective. The comparator benchmarks have been selected because the Investment Manager and the Manager believe that each of these benchmarks is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Review of Investment Activities

The Fund aims to deliver an income of 7% per year (although this is not guaranteed and could change depending on market conditions). For the year ending 31 December 2022, the Fund distributed 7.74%¹.

From 31 December 2021 to 30 December 2022, the price of Z Accumulation shares² on a dealing basis rose 6.21%. In comparison, the FTSE³ 100 (Net Total Return) Index generated a return of 4.67%⁴ and the Investment Association UK Equity Income sector average generated a negative total return of 1.95%⁴.

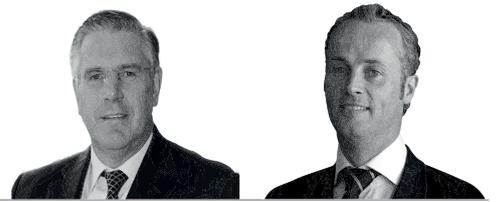
The Fund invests in a portfolio of large UK-listed companies and looks to distribute an income of 7% p.a. by combining the resulting dividends with a covered call option overlay strategy. The equity portfolio seeks to provide exposure that broadly mirrors the FTSE 100 index, while the option strategy allows us to generate an enhanced income by exchanging some of the potential capital growth in the stocks we own for an upfront cash payment. Our aim is to sell just enough potential capital growth across the range of holdings to meet the income target, while still benefiting from the first phase of any share price growth.

The Fund has announced four distributions for the year, equating to 1.87%, 1.92%, 2.45% and 1.51% respectively.

UK equities were more resilient than many other world markets in 2022. This occurred as inflation hit multi-decade highs in the major economies such as the UK, US and Germany and interest rates rose sharply. Equity investors showed a clear preference for the more international and largest FTSE 100 constituents. Banks and the oil majors were very much in favour as they increased dividends and bought back considerable volumes of shares as strong commodity markets and rising interest rates drove strong earnings growth. Both sectors conduct much of their trade in US dollars, being the preferred currency of international commodity markets and international banking. The extraordinary run in the US currency – albeit reversing somewhat over the fourth quarter as inflation expectations moderated – was a further translational boost to their sterling earnings. This created even more financial headroom for these companies to return cash to their shareholders.

The underlying equity portfolio rose during the year, just ahead of the wider market. The options were also able to contribute positively to performance during the year, while delivering the required income enhancement.

Looking ahead, we believe the Fund's income target remains sustainable given the combination of dividends and option strategy. If the underlying dividend yield is running higher than average, as we are seeing at the moment, we have the flexibility to reduce the amount we take from the overlay. While continuing to overwrite many of the positions held, around 55% of the Fund's NAV is currently overwritten, leaving around 45% to rise constrained. This provides additional flexibility in writing the call options and, while continuing to deliver the income target, should also help the Fund's participation in any further capital growth opportunity.



Co-Fund Manager:

Mike Hodgson

Head of Risk Managed Investments and Structured Funds, based in London, having re-joined Schroders in 2011

Over 35 years of experience in financial markets. Mike started his career in 1987 at J Henry Schroder & Co. Limited as Principal Interest Rate Derivatives Trader and then was promoted to Global Head of Structured Products and Equity Derivatives

In 2000, he moved to Citigroup as a result of its acquisition of J Henry Schroder where he was European Head of New Product Development. In 2004, Mike joined ABN AMRO Bank NV (which then became Royal Bank of Scotland NV in 2007) as Global Head of Equity Derivatives Structuring moving on to become Head of Fund Derivatives Trading and Structuring

PhD in Physics, Cambridge University and BSc (Hons) in Physics, Imperial College, London

Co-Fund Manager:

Scott Thomson

Managing Maximiser funds since joining the Structured Fund Management team in 2009

Investment career commenced in 1995 at Morgan Grenfell Asset Management as an equity analyst

Joined Schroders in 1997, managing the deal implementation team and becoming a junior fund manager on the EAFE team; joined the Investment Process Resource Unit, a quantitative fund management team, in 2004 as assistant fund manager on an absolute return and an international 130/30 equity fund

BA (Hons) in Applied Economics, University of Abertay, Dundee



Co-Fund Manager:

Ghokhulan Manickavasagar

Joined Structured Fund Management as a fund manager in 2017

Investment career commenced in 2003 on joining Schroders' Service Management Unit

Performance Analyst at Schroders from 2006 to 2007, before becoming a Quantitative Analyst within the Multi-Asset team. Responsible for providing portfolio construction solutions and managing the Diversified Trend strategy for the Multi-Asset business. He was a member of the Strategic Investment Group Multi-Asset (SIGMA) specialising in Commodity research

MSc in Information Technology from Queen Mary, University of London

BSc in Biochemistry from Queen Mary, University of London

Co-Fund Manager:

Jeegar Jagani

Managing Maximiser funds since joining the Structured Fund Management team in 2012

Investment career commenced in 2003 at Royal London Asset Management on the performance desk before moving into the quantitative team as a Quantitative Analyst in June 2005

Joined Schroders' Portfolio Solutions team in 2008 as a fund management assistant and Fund Manager in February 2009

Chartered Financial Analyst

BSc (First) Mathematics and Computer Science (University of Surrey)

¹ For the Z Income shares where distributions are taken out of the Fund and not reinvested.

² The dealing price of Z Accumulation shares reflects the reinvestment of the distribution.

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⁴ Source: Refinitiv Eikon Datastream.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Risk Profile

Risk and reward indicator



The risk category was calculated using simulated performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Comparative Table

Financial year to 31 December	L Accumulation shares			L Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	58.44	49.11	50.00	54.24	49.06	50.00
Return before operating charges*	3.55	9.53	(0.88)	3.09	9.22	(0.88)
Operating charges	(0.20)	(0.20)	(0.01)	(0.17)	(0.18)	(0.01)
Return after operating charges*	3.35	9.33	(0.89)	2.92	9.04	(0.89)
Distributions**	(4.63)	(3.96)	(0.05)	(4.13)	(3.86)	(0.05)
Retained distributions**	4.63	3.96	0.05	-	-	-
Closing net asset value	61.79	58.44	49.11	53.03	54.24	49.06
*after direct transaction costs of	(0.01)	(0.05)	(0.29)	(0.01)	(0.05)	(0.29)
Performance						
Return after charges (%)	5.73	19.00	(1.78)	5.38	18.43	(1.78)
Other information						
Closing net asset value (£000's)	59	69	1	258	1	1
Closing number of shares	95,033	117,977	2,000	486,273	2,097	2,000
Operating charges (%)	0.34	0.34	0.36	0.34	0.34	0.36
Direct transaction costs (%)***	0.02	0.09	0.58	0.02	0.09	0.58
Prices						
Highest dealing price	62.70p	58.84p	50.49p	56.07p	55.38p	50.48p
Lowest dealing price	54.79p	49.30p	48.53p	49.05p	49.24p	48.52p

Comparative Table (continued)

Financial year to 31 December	Q1 Accumulation shares			Q1 Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	58.49	49.13	50.00	54.27	49.06	50.00
Return before operating charges*	3.55	9.52	(0.87)	3.09	9.24	(0.87)
Operating charges	(0.18)	(0.16)	-	(0.13)	(0.13)	(0.01)
Return after operating charges*	3.37	9.36	(0.87)	2.96	9.11	(0.88)
Distributions**	(4.59)	(3.99)	(0.06)	(4.15)	(3.90)	(0.06)
Retained distributions**	4.59	3.99	0.06	-	-	-
Closing net asset value	61.86	58.49	49.13	53.08	54.27	49.06
*after direct transaction costs of	(0.01)	(0.05)	(0.29)	(0.01)	(0.05)	(0.29)
Performance						
Return after charges (%)	5.76	19.05	(1.74)	5.45	18.57	(1.76)
Other information						
Closing net asset value (£000's)	1	1	1	30,027	31,628	21,258
Closing number of shares	2,000	2,000	2,000	56,572,140	58,275,676	43,331,604
Operating charges (%)	0.24	0.24	0.26	0.24	0.24	0.26
Direct transaction costs (%)***	0.02	0.09	0.58	0.02	0.09	0.58
Prices						
Highest dealing price	62.76p	58.88p	50.50p	56.11p	55.44p	50.49p
Lowest dealing price	54.83p	49.32p	48.54p	49.10p	49.25p	48.53p

Comparative Table (continued)

Financial year to 31 December	Z Accumulation shares			Z Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	58.45	49.11	50.00	54.28	49.06	50.00
Return before operating charges*	3.55	9.52	(0.88)	3.10	9.28	(0.88)
Operating charges	(0.22)	(0.18)	(0.01)	(0.24)	(0.24)	(0.01)
Return after operating charges*	3.33	9.34	(0.89)	2.86	9.04	(0.89)
Distributions**	(4.50)	(3.97)	(0.05)	(4.08)	(3.82)	(0.05)
Retained distributions**	4.50	3.97	0.05	-	-	-
Closing net asset value	61.78	58.45	49.11	53.06	54.28	49.06
*after direct transaction costs of	(0.01)	(0.05)	(0.29)	(0.01)	(0.05)	(0.29)
Performance						
Return after charges (%)	5.70	19.02	(1.78)	5.27	18.43	(1.78)
Other information						
Closing net asset value (£000's)	129	1	1	849	91	1
Closing number of shares	209,563	2,097	2,000	1,599,525	168,496	2,000
Operating charges (%)	0.44	0.44	0.46	0.44	0.44	0.46
Direct transaction costs (%)***	0.02	0.09	0.58	0.02	0.09	0.58
Prices						
Highest dealing price	62.69p	58.85p	50.49p	56.09p	55.37p	50.49p
Lowest dealing price	54.80p	49.30p	48.53p	49.04p	49.25p	48.53p

The Fund launched on 4 December 2020.

** These figures have been rounded to 2 decimal places.

*** Direct transaction costs have been stated after deducting the proportion of the amounts collected from dilution adjustments.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Statement

	Holding at 31.12.22	Market Value £000's	% of net assets
Equities 99.84% (99.53%)			
Basic Materials 9.94% (10.78%)			
Anglo American	22,769	736	2.35
Croda International	3,062	202	0.65
Glencore	198,525	1,097	3.50
Rio Tinto	18,611	1,079	3.44
		3,114	9.94
Consumer Discretionary 9.72% (10.71%)			
Barratt Developments	19,317	77	0.25
Burberry Group	7,436	151	0.48
Compass Group	30,344	582	1.86
Entain	10,318	136	0.44
Flutter			
Entertainment	2,173	245	0.78
Informa	27,239	169	0.54
InterContinental Hotels Group	3,780	179	0.57
International Consolidated Airlines Group	47,519	59	0.19
Kingfisher	39,892	94	0.30
Next	2,770	161	0.51
Persimmon	6,313	77	0.25
RELX	32,528	744	2.38
Taylor Wimpey	66,145	67	0.21
Whitbread	3,585	92	0.29
WPP	25,721	211	0.67
		3,044	9.72
Consumer Staples 18.86% (18.54%)			
Associated British Foods	6,061	95	0.30
British American Tobacco	38,457	1,262	4.03
Diageo	39,386	1,438	4.59
Imperial Brands	16,410	340	1.08
Ocado Group	8,386	52	0.17
Reckitt Benckiser Group	10,808	622	1.99
Tesco	142,916	320	1.02
Unilever	42,533	1,779	5.68
		5,908	18.86
Energy 14.63% (10.06%)			
BP	338,007	1,605	5.13
Shell	127,926	2,976	9.50
		4,581	14.63
Financials 16.21% (16.44%)			
3i Group	19,319	259	0.83
Admiral Group	4,366	93	0.30
Aviva	53,066	235	0.75
Barclays	293,528	465	1.49
HSBC Holdings	335,410	1,729	5.52
Legal & General Group	105,868	264	0.84
Lloyds Banking Group	1,181,579	537	1.71
London Stock Exchange Group	5,463	390	1.25

	Holding at 31.12.22	Market Value £000's	% of net assets
NatWest Group	71,857	191	0.61
Prudential	43,402	489	1.56
St. James's Place	12,432	136	0.43
Standard Chartered	46,350	289	0.92
		5,077	16.21
Health Care 13.65% (11.77%)			
AstraZeneca	25,259	2,833	9.04
GSK	67,969	977	3.12
Haleon	84,961	278	0.89
Smith & Nephew	16,863	187	0.60
		4,275	13.65
Industrials 10.23% (13.33%)			
Ashtead Group	8,115	383	1.22
BAE Systems	55,359	474	1.51
Bunzl	6,079	168	0.54
CRH	13,844	456	1.45
Experian	16,040	451	1.44
Halma	7,923	156	0.50
Intertek Group	3,262	132	0.42
Melrose Industries	73,944	99	0.32
Mondi	9,457	133	0.42
Rentokil Initial	35,687	181	0.58
Rolls-Royce Holdings	122,787	114	0.36
Smiths Group	7,728	124	0.40
Smurfit Kappa Group	5,779	178	0.57
Spirax-Sarco Engineering	1,469	156	0.50
		3,205	10.23
Real Estate 0.64% (1.18%)			
Segro	26,425	202	0.64
		202	0.64
Technology 0.54% (0.61%)			
Sage Group	22,815	170	0.54
		170	0.54
Telecommunications 1.79% (2.43%)			
BT Group	153,366	172	0.55
Vodafone Group	462,416	389	1.24
		561	1.79
Utilities 3.63% (3.68%)			
National Grid	62,510	624	1.99
SSE	19,683	337	1.08
United Utilities Group	17,795	176	0.56
		1,137	3.63
Equities total		31,274	99.84
Collective Investment Schemes 0.86% (1.54%)			
Global Equity Funds 0.86% (1.54%)			
Scottish Mortgage Investment Trust [§]	37,035	268	0.86
		268	0.86
Collective Investment Schemes total		268	0.86

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets		Holding at 31.12.22	Market Value £000's	% of net assets
Futures 0.00% (0.01%)				Haleon Call 3.305 17/01/2023 (21,665) (1) 0.00			
Options (0.08)% ((0.25)%)				Halma Call 22.898 03/01/2023 (2,020) 0 0.00			
Written Options (0.08)% ((0.25)%)				HSBC Holdings Call 5.407 03/01/2023 (102,635) 0 0.00			
3i Group Call 13.869 17/01/2023	(7,389)	(1)	0.00	HSBC Holdings Call 5.355 17/01/2023	(114,609)	(2)	(0.01)
Anglo American Call 37.002 03/01/2023	(7,780)	0	0.00	Imperial Brands Call 22.223 03/01/2023	(5,607)	0	0.00
Anglo American Call 34.836 17/01/2023	(7,780)	(1)	0.00	Imperial Brands Call 21.767 17/01/2023	(5,607)	0	0.00
AstraZeneca Call 117.153 03/01/2023	(5,796)	0	0.00	Informa Call 6.44 17/01/2023	(10,418)	(1)	0.00
AstraZeneca Call 116.233 17/01/2023	(5,796)	(2)	(0.01)	InterContinental Hotels Group Call 51.034 03/01/2023	(1,445)	0	0.00
Aviva Call 4.708 03/01/2023	(18,132)	0	0.00	Legal & General Group Call 2.627 17/01/2023	(26,996)	0	0.00
BAE Systems Call 8.865 03/01/2023	(21,174)	0	0.00	Lloyds Banking Group Call 0.507 03/01/2023	(301,302)	0	0.00
BAE Systems Call 9.014 17/01/2023	(21,174)	(1)	0.00	Lloyds Banking Group Call 0.495 17/01/2023	(301,302)	0	0.00
Barclays Call 1.729 03/01/2023	(100,298)	0	0.00	London Stock Exchange Group Call 83.367 03/01/2023	(2,089)	0	0.00
Barclays Call 1.682 17/01/2023	(100,298)	(1)	0.00	London Stock Exchange Group Call 75.814 17/01/2023	(2,089)	0	0.00
BP Call 5.149 03/01/2023	(103,430)	0	0.00	National Grid Call 10.635 03/01/2023	(23,910)	0	0.00
BP Call 5.12 17/01/2023	(103,430)	(1)	0.00	National Grid Call 10.399 17/01/2023	(23,910)	(1)	0.00
British American Tobacco Call 35.448 03/01/2023	(13,140)	0	0.00	NatWest Group Call 2.871 03/01/2023	(18,323)	0	0.00
British American Tobacco Call 34.554 17/01/2023	(13,140)	(1)	0.00	Prudential Call 12.38 03/01/2023	(8,854)	0	0.00
BT Group Call 1.275 03/01/2023	(31,286)	0	0.00	Prudential Call 11.781 17/01/2023	(8,854)	(1)	(0.01)
Bunzl Call 31.737 03/01/2023	(2,325)	0	0.00	Reckitt Benckiser Group Call 63.86 03/01/2023	(2,756)	0	0.00
Compass Group Call 19.876 17/01/2023	(11,606)	(1)	(0.01)	Reckitt Benckiser Group Call 60.161 17/01/2023	(2,756)	0	0.00
CRH Call 34.678 03/01/2023	(3,530)	0	0.00	RELX Call 24.338 03/01/2023	(12,441)	0	0.00
CRH Call 34.853 17/01/2023	(5,295)	0	0.00	RELX Call 23.868 17/01/2023	(12,441)	(1)	(0.01)
Diageo Call 40.256 03/01/2023	(14,060)	0	0.00	Rentokil Initial Call 5.677 03/01/2023	(15,952)	0	0.00
Experian Call 31.169 03/01/2023	(4,090)	0	0.00	Rentokil Initial Call 5.521 17/01/2023	(16,166)	0	0.00
Experian Call 29.813 17/01/2023	(6,135)	(1)	0.00	Rio Tinto Call 61.628 03/01/2023	(7,118)	0	0.00
Flutter Entertainment Call 124.336 17/01/2023	(742)	0	0.00	Rio Tinto Call 61.058 17/01/2023	(7,118)	(2)	(0.01)
Glencore Call 6.145 03/01/2023	(77,157)	0	0.00	Sage Group Call 8.305 03/01/2023	(8,726)	0	0.00
Glencore Call 5.938 17/01/2023	(86,060)	(1)	0.00				
GSK Call 14.822 03/01/2023	(17,332)	0	0.00				
GSK Call 15.329 17/01/2023	(13,865)	0	0.00				
Haleon Call 3.126 03/01/2023	(21,665)	(3)	(0.01)				

Portfolio Statement (continued)

	Holding at 31.12.22	Market Value £000's	% of net assets		Holding at 31.12.22	Market Value £000's	% of net assets
Scottish Mortgage Investment Trust Call 8.163 03/01/2023	(9,443)	0	0.00	Standard Chartered Call 6.633 17/01/2023	(15,837)	0	0.00
Segro Call 9.086 03/01/2023	(6,738)	0	0.00	Tesco Call 2.394 17/01/2023	(36,443)	0	0.00
Segro Call 8.365 17/01/2023	(6,738)	0	0.00	Unilever Call 43.673 03/01/2023	(8,676)	0	0.00
Shell Call 25.722 03/01/2023	(29,359)	0	0.00	Unilever Call 43.032 17/01/2023	(8,676)	(1)	(0.01)
Shell Call 25.094 17/01/2023	(29,359)	(1)	0.00	United Utilities Group Call 10.812 03/01/2023	(6,806)	0	0.00
Smiths Group Call 16.771 03/01/2023	(3,941)	0	0.00	United Utilities Group Call 10.444 17/01/2023	(6,806)	0	0.00
Smiths Group Call 16.609 17/01/2023	(3,014)	0	0.00	Vodafone Group Call 0.997 03/01/2023	(94,332)	0	0.00
Smurfit Kappa Group Call 31.835 03/01/2023	(1,473)	0	0.00	Vodafone Group Call 1.003 17/01/2023	(94,332)	0	0.00
Spirax-Sarco Engineering Call 115.451 17/01/2023	(501)	0	0.00	Written Options total		(25)	(0.08)
SSE Call 18.201 03/01/2023	(7,528)	0	0.00	Options total		(25)	(0.08)
SSE Call 17.984 17/01/2023	(7,528)	0	0.00	Portfolio of investments		31,517	100.62
Standard Chartered Call 6.527 03/01/2023	(15,837)	0	0.00	Net other liabilities		(194)	(0.62)
				Net assets attributable to shareholders		31,323	100.00

The comparative percentage figures in brackets are as at 31 December 2021.

Unless otherwise stated, all securities are admitted to official stock exchange listings or are permitted collective investment schemes.

§ Closed ended Fund.

Statement of Total Return

For the year ended 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Income					
Net capital (losses)/gains	2		(668)		2,644
Revenue	3	2,813		2,357	
Expenses	4	(79)		(67)	
Net revenue before taxation		2,734		2,290	
Taxation	5	(296)		(255)	
Net revenue after taxation			2,438		2,035
Total return before distributions			1,770		4,679
Distributions	6		(2,501)		(2,035)
Change in net assets attributable to shareholders from investment activities			(731)		2,644

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	2022		2021	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		31,791		21,263
Amounts receivable on issue of shares	4,985		9,773	
Amounts payable on cancellation of shares	(4,738)		(1,912)	
		247		7,861
Dilution adjustment		3		17
Change in net assets attributable to shareholders from investment activities		(731)		2,644
Retained distribution on Accumulation shares		13		6
Closing net assets attributable to shareholders		31,323		31,791

Balance Sheet

As at 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Assets					
Investments			31,542		32,137
Current assets					
Debtors	8		95		95
Cash and bank balances			324		369
Total assets			31,961		32,601
Liabilities					
Investment liabilities			(25)		(81)
Creditors					
Distributions payable			(470)		(466)
Other creditors	9		(143)		(263)
Total liabilities			(638)		(810)
Net assets attributable to shareholders			31,323		31,791

Notes to the Accounts

For the year ended 31 December 2022

1 Accounting policies

Basis of preparation

The applicable accounting policies adopted by Schroder UK-Listed Equity Income Maximiser Fund are disclosed on pages 9 to 10.

2 Net capital (losses)/gains

The net capital (losses)/gains during the year comprise:

	2022	2021
	£000's	£000's
Non-derivative securities	520	3,776
Derivative contracts	(1,188)	(1,130)
Transaction costs	-	(2)
Net capital (losses)/gains	(668)	2,644

3 Revenue

	2022	2021
	£000's	£000's
UK dividends	1,151	953
Overseas dividends	104	83
Real estate income distributions	4	3
Bank interest	4	-
Net revenue return from derivative contracts	1,550	1,318
Total revenue	2,813	2,357

4 Expenses

	2022	2021
	£000's	£000's
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director fee	-	5
Administration charge	-	2
Schroders Annual Charge ^{1,2}	78	58
	78	65
Other expenses:		
Audit fee ²	1	2
Total expenses	79	67

1 Fees such as the Authorised Corporate Director fee, Administration fee and Audit fee were paid separately to 28 February 2021. From 1 March 2021 these fees were replaced with the Schroders Annual Charge.

2 Audit fees including VAT for the financial year ending 2022 were £10,628 (2021 - £10,628).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

5 Taxation

Corporation tax has not been provided for as expenses payable by the Fund exceed the revenue liable to corporation tax.

(a) Analysis of the tax charge for the year

	2022	2021
	£000's	£000's
Corporation tax	296	250
Overseas withholding tax	-	5
Total current tax (Note 5(b))	296	255

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for Open Ended Investment Companies of 20% (2021 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2022	2021
	£000's	£000's
Net revenue before taxation	2,734	2,290
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	547	458
Effects of:		
Revenue not subject to corporation tax	(251)	(208)
Overseas withholding tax	-	5
Current tax charge for the year (Note 5(a))	296	255

6 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2022	2021
	£000's	£000's
Quarterly Dividend distribution	621	496
Interim Dividend distribution	648	527
Quarterly Dividend distribution	772	620
Final Dividend distribution	473	466
	2,514	2,109
Add: Revenue deducted on cancellation of shares	45	20
Deduct: Revenue received on issue of shares	(58)	(94)
Distributions	2,501	2,035
Net revenue after taxation	2,438	2,035
Expenses taken to capital	78	-
Tax on capital items	(15)	-
Distributions	2,501	2,035

Details of the distributions per share are set out in the Distribution Tables on pages 256 to 258.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

7 Fair value hierarchy

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Basis of valuation	2022		2021	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	31,542	-	32,137	-
Level 2: Observable market data	-	(25)	-	(81)
Level 3: Unobservable data	-	-	-	-
Total	31,542	(25)	32,137	(81)

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Authorised Corporate Director has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Authorised Corporate Director of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Authorised Corporate Director with particular attention paid to the carrying value of the investments.

8 Debtors

	2022 £000's	2021 £000's
Amounts receivable for issue of shares	13	10
Accrued revenue	77	79
Prepaid expenses	-	1
Overseas withholding tax recoverable	5	4
Income tax recoverable	-	1
Total debtors	95	95

9 Other creditors

	2022 £000's	2021 £000's
Amounts payable for cancellation of shares	3	5
Accrued expenses	7	7
Corporation tax payable	133	251
Total other creditors	143	263

10 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2021 – Nil).

11 Related party transactions

The Authorised Corporate Director provides key management personnel services for the Fund and is therefore considered a related party.

Amounts paid during the year or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies received through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 34.92% (2021 – 39.75%).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

12 Share classes

At the reporting date the Fund had six share classes. The costs and expenses due to the Manager are referred to as the Schrodgers Annual Charge. Details of the charges applied to each share class can be found in the prospectus.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on pages 243 to 245.

The distributions per share class are given in the Distribution Tables on pages 256 to 258.

All classes have the same rights on winding up.

13 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, derivative, foreign currency, liquidity and interest rate risks. The Authorised Corporate Director's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £3,151,700 (2021 - £3,205,600).

Derivative risk

Where a Fund trades in derivatives to achieve its investment objective, this involves a higher degree of risk and may lead to a higher volatility in the share prices of the Fund. The Authorised Corporate Director employs a risk management process to allow the Authorised Corporate Director to measure derivative and forward positions and their contribution to the overall risk profile of the Fund. As part of this risk management process the Authorised Corporate Director conducts daily value at risk analysis of the Fund and performs both stress and back testing of the Fund.

Foreign currency risk

At the year end date, the majority of the Fund's financial assets and liabilities were denominated in sterling. As a result, the Fund has no material exposure to currency movements.

Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the Collective Investment Schemes sourcebook.

Interest rate risk

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

Interest receivable on bank deposits positions will be affected by fluctuations in interest rates.

At the year end date 1.03% (2021 - 1.16%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average Rate.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Derivatives

During the year the Fund entered into derivative contracts for specific investment purposes in addition to being used for efficient management.

Global risk exposure

Commitment approach

When using derivatives, the Authorised Corporate Director uses a risk management process that enables it to monitor the risk of a Fund's derivative positions. The global risk exposure of a Fund is calculated daily either by means of the commitment approach or the Value-at-Risk (VaR) approach.

Under the commitment approach, the global risk exposure is defined as the underlying market value of derivatives, after netting and hedging as permitted by the regulation, not exceeding the Net Asset Value of a Fund. This is typically used on Funds where derivative usage is low or Funds which limit their derivatives commitment to 100% or less of their Net Asset Value.

The global risk exposure of the Fund is calculated using the commitment approach. During the year ended 31 December 2022 the global risk exposure of the Fund did not exceed 100% of its Net Asset Value. The lowest, highest, average and actual level of leverage for the Fund as at the balance sheet date was as follows:

Leverage

2022				2021			
Lowest	Highest	Average	Leverage 31 December	Lowest	Highest	Average	Leverage 31 December
0.00%	2.73%	1.11%	0.00%	0.00%	14.43%	1.82%	0.99%

Notes to the Accounts

For the year ended 31 December 2022 (continued)

14 Direct transaction costs

In the case of shares, broker commissions and transfer taxes/stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	1,669	-	8	1,677	-	0.48
Sales						
Equities	2,789	(1)	-	2,788	(0.04)	-
Total cost of the Fund's average net asset value (%)		-	0.03			

2021	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	8,089	1	40	8,130	0.01	0.49
Sales						
Equities	852	-	-	852	-	-
Total cost of the Fund's average net asset value (%)		-	0.15			

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.15% (2021 – 0.07%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

15 Shares in issue reconciliation

	Number of shares in issue 31.12.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 31.12.22
L Accumulation shares	117,977	26,950	(49,894)	-	95,033
L Income shares	2,097	582,909	(98,733)	-	486,273
Q1 Accumulation shares	2,000	-	-	-	2,000
Q1 Income shares	58,275,676	6,766,172	(8,469,708)	-	56,572,140
Z Accumulation shares	2,097	284,121	(76,655)	-	209,563
Z Income shares	168,496	1,754,805	(323,776)	-	1,599,525

Notes to the Accounts

For the year ended 31 December 2022 (continued)

16 Counterparty exposure

The types of non-exchange traded derivatives held at the balance sheet date were options contracts. Details of individual contracts are disclosed in the Portfolio Statement and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
Barclays										
2022	-	-	-	-	-	-	-	-	-	-
2021	-	-	-	-	-	-	-	(8)	-	(8)
Citigroup										
2022	-	-	-	-	-	-	-	(3)	-	(3)
2021	-	-	-	-	-	-	-	(17)	-	(17)
Goldman Sachs										
2022	-	-	-	-	-	-	-	(14)	-	(14)
2021	-	-	-	-	-	-	-	(15)	-	(15)
J.P. Morgan										
2022	-	-	-	-	-	-	-	(2)	-	(2)
2021	-	-	-	-	-	-	-	(18)	-	(18)
Societe Generale										
2022	-	-	-	-	-	-	-	(3)	-	(3)
2021	-	-	-	-	-	-	-	-	-	-
UBS										
2022	-	-	-	-	-	-	-	(3)	-	(3)
2021	-	-	-	-	-	-	-	(23)	-	(23)

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above.

17 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 December 2022, the price of each share class has changed as follows:

	Dealing price 21.4.23	Dealing price 30.12.22	% change
L Accumulation shares	66.03p	61.96p	6.57
L Income shares	55.61p	53.97p	3.04
Q1 Accumulation shares	66.10p	62.02p	6.58
Q1 Income shares	55.68p	54.02p	3.07
Z Accumulation shares	66.00p	61.95p	6.54
Z Income shares	55.62p	53.94p	3.11

Distribution Tables

Quarterly distribution for the three months ended 31 March 2022

Group 1 Shares purchased prior to 1 January 2022

Group 2 Shares purchased on or after 1 January 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.5.22 per share	Distribution paid 31.5.21 per share
L Accumulation shares				
Group 1	1.1033p	-	1.1033p	0.9847p
Group 2	0.1060p	0.9973p	1.1033p	0.9847p
L Income shares				
Group 1	1.0254p	-	1.0254p	0.9852p
Group 2	0.9874p	0.0380p	1.0254p	0.9852p
Q1 Accumulation shares				
Group 1	1.0954p	-	1.0954p	0.9950p
Group 2	1.0954p	-	1.0954p	0.9950p
Q1 Income shares				
Group 1	1.0260p	-	1.0260p	0.9852p
Group 2	0.4499p	0.5761p	1.0260p	0.9852p
Z Accumulation shares				
Group 1	1.1069p	-	1.1069p	0.9871p
Group 2	0.5676p	0.5393p	1.1069p	0.9871p
Z Income shares				
Group 1	1.0260p	-	1.0260p	0.9852p
Group 2	0.4547p	0.5713p	1.0260p	0.9852p

Interim distribution for the three months ended 30 June 2022

Group 1 Shares purchased prior to 1 April 2022

Group 2 Shares purchased on or after 1 April 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.8.22 per share	Distribution paid 31.8.21 per share
L Accumulation shares				
Group 1	1.1489p	-	1.1489p	0.9927p
Group 2	1.1489p	-	1.1489p	0.9927p
L Income shares				
Group 1	1.0479p	-	1.0479p	0.9787p
Group 2	0.2318p	0.8161p	1.0479p	0.9787p
Q1 Accumulation shares				
Group 1	1.1427p	-	1.1427p	0.9865p
Group 2	1.1427p	-	1.1427p	0.9865p
Q1 Income shares				
Group 1	1.0487p	-	1.0487p	0.9793p
Group 2	0.3618p	0.6869p	1.0487p	0.9793p
Z Accumulation shares				
Group 1	1.1493p	-	1.1493p	1.0116p
Group 2	0.3023p	0.8470p	1.1493p	1.0116p

Distribution Tables

(continued)

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.8.22 per share	Distribution paid 31.8.21 per share
Z Income shares				
Group 1	1.0483p	–	1.0483p	0.9791p
Group 2	0.5164p	0.5319p	1.0483p	0.9791p

Quarterly distribution for the three months ended 30 September 2022

Group 1 Shares purchased prior to 1 July 2022

Group 2 Shares purchased on or after 1 July 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 30.11.22 per share	Distribution paid 30.11.21 per share
L Accumulation shares				
Group 1	1.4814p	–	1.4814p	1.1840p
Group 2	1.4814p	–	1.4814p	1.1840p
L Income shares				
Group 1	1.2667p	–	1.2667p	1.1358p
Group 2	0.4696p	0.7971p	1.2667p	1.1358p
Q1 Accumulation shares				
Group 1	1.4294p	–	1.4294p	1.1737p
Group 2	1.4294p	–	1.4294p	1.1737p
Q1 Income shares				
Group 1	1.2679p	–	1.2679p	1.1367p
Group 2	0.4006p	0.8673p	1.2679p	1.1367p
Z Accumulation shares				
Group 1	1.3821p	–	1.3821p	1.1957p
Group 2	0.8723p	0.5098p	1.3821p	1.1957p
Z Income shares				
Group 1	1.2669p	–	1.2669p	1.1360p
Group 2	0.4536p	0.8133p	1.2669p	1.1360p

Final distribution for the three months ended 31 December 2022

Group 1 Shares purchased prior to 1 October 2022

Group 2 Shares purchased on or after 1 October 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
L Accumulation shares				
Group 1	0.8980p	–	0.8980p	0.7976p
Group 2	0.1498p	0.7482p	0.8980p	0.7976p
L Income shares				
Group 1	0.7928p	–	0.7928p	0.7601p
Group 2	0.1907p	0.6021p	0.7928p	0.7601p

Distribution Tables

(continued)

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
Q1 Accumulation shares				
Group 1	0.9185p	-	0.9185p	0.8335p
Group 2	0.9185p	-	0.9185p	0.8335p
Q1 Income shares				
Group 1	0.8029p	-	0.8029p	0.7970p
Group 2	0.4006p	0.4023p	0.8029p	0.7970p
Z Accumulation shares				
Group 1	0.8656p	-	0.8656p	0.7773p
Group 2	0.6204p	0.2452p	0.8656p	0.7773p
Z Income shares				
Group 1	0.7410p	-	0.7410p	0.7176p
Group 2	0.2004p	0.5406p	0.7410p	0.7176p

Equalisation

Equalisation applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Securities Financing Transactions (unaudited)

The Fund has not engaged in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, these include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions, margin lending transactions and Total Return Swaps). Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the accounting year ended 31 December 2022.

Schroder Global Energy Transition Fund

Fund Information

Investment objective and policy

Schroder Global Energy Transition Fund (the 'Fund') aims to provide capital growth by investing in equity and equity related securities of companies worldwide that are associated with the global transition towards lower carbon sources of energy and which meet the Investment Manager's environmental, social and governance (ESG) criteria.

The Fund is actively managed and invests at least 80% of its assets in a concentrated range of equity and equity related securities of companies worldwide that contribute to the global transition towards lower carbon sources of energy, such as lower carbon energy production, distribution, storage, transport and associated supply chain material providers and technology companies. The Fund will only invest in companies that generate at least 50% of their revenue from activities contributing to the transition, or those which play critical roles in the transition and are increasing their exposure to such activities.

The Fund typically holds 30 to 60 companies.

The Fund will not invest in companies that generate any revenue from fossil fuels, nuclear power, weapons, tobacco or alcohol.

The Fund will only invest in companies that do not cause significant environmental or social harm and have good governance procedures, as determined by the Investment Manager's ESG rating (please see the Fund Characteristics section for more information). These may include companies that the Investment Manager actively engages with to challenge identified areas of weakness in ESG performance, where it is confident that they will improve their ESG practices within a reasonable timeframe, which will typically be six months to two years, depending on the specific engagement topic.

More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the internet site <https://www.schroders.com/en/uk/private-investor/strategic-capabilities/sustainability/>.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to section 10 of Appendix III of the Prospectus).

Fund characteristics

The Fund does not have a target benchmark. The Fund's performance should be compared against the MSCI Global Alternative Energy (Net Total Return) index, the MSCI All Country World (Net Total Return) index and the Investment Association Global sector average return. The comparator benchmarks have been selected because the Investment Adviser and the ACD believe that these benchmarks are a suitable comparison for performance purposes given the Fund's investment objective and policy.

Review of Investment Activities

From 31 December 2021 to 30 December 2022, the price of Z Accumulation shares on a dealing price basis rose 5.58%. In comparison, the MSCI Global Alternative Energy Index generated a net return of 5.28%¹, the MSCI All Country World Index generated a negative net return of 8.08%¹ and the Investment Association Global sector generated a negative total return of 11.07%¹.

Global equities posted strong returns at the start of 2022 as investors focused on economic resilience and corporate earnings. However, Russia's invasion of Ukraine in late February caused a global shock, with equities declining and commodity prices soaring, given that Russia is a key producer of several important commodities. Shares remained under pressure in the spring and summer of 2022 as investors moved to price in interest rate rises and an increased risk of recession. Chinese shares fell sharply in October after Xi Jinping secured a historic third leadership term. Ongoing political tensions with Taiwan also weakened sentiment. Shares gained in November with emerging market equities outperforming their developed market counterparts.

Stock selection was positive, particularly in information technology, industrials and materials. Our overweight to utilities and zero-weight to communication services also added value in the period. Our zero-weight allocations to energy, healthcare and financials detracted in the period. By region, our positions in North America, Continental Europe, emerging markets and Pacific ex Japan added value, while Japan and the UK detracted.

First Solar, SolarEdge Technologies and Vestas Wind Systems were among the biggest individual contributors in the period. Allocations to Enphase Energy and LG Chem also contributed to gains in the period. Faurecia, Cie Plastic Omnium and Xinyi Solar Holdings were among the biggest individual detractors during the period. Allocations to Siemens Gamesa and Saisetia Group also detracted during the period.

We initiated new positions in Array Technologies, Enphase Energy, Flat Glass Group Co and LONGi Green Energy Technology Co in the period. We sold our positions in a number of stocks during the period. These included Compleo Charging Solutions, Rexel and Volkswagen.

Co-Fund Manager:

Mark Lacey



Mark Lacey joined Schroders in 2013

Head of Resource Equities - Global Themes

Portfolio Manager of Schroder ISF Global Energy Transition fund

Portfolio Manager of Schroder ISF Global Energy fund

Formerly portfolio manager of Investec Global Energy funds

Formerly head of global energy at Goldman Sachs

Was previously ranked as #1 energy investment specialist in Thompson Eitel survey

Career commenced in 1996 at Credit Suisse Asset Management, managing gold and resource equity funds

Co-Fund Manager:

Alexander Monk



Alexander Monk is a portfolio manager for the resource equity team at Schroders. He joined Schroders in 2016 and is based in London.

Alexander was a Sustainable Investment Analyst at Schroders from 2016 to 2018, which involved analysing sustainability risks and opportunities associated with companies in the utilities and telecommunications sectors.

Qualifications: MSc in Environmental Policy and Regulation from the London School of Economics and Political Science (LSE); BA in Geography from Oxford University.

¹ Source: Refinitiv Eikon Datastream.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Risk Profile

Risk and reward indicator



The risk category was calculated using simulated performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Comparative Table

Financial year to 31 December	L Accumulation shares			L Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	51.48	52.73	50.00	51.26	52.73	50.00
Return before operating charges*	3.05	(0.79)	2.75	2.99	(0.78)	2.76
Operating charges	(0.45)	(0.46)	(0.02)	(0.45)	(0.46)	(0.03)
Return after operating charges*	2.60	(1.25)	2.73	2.54	(1.24)	2.73
Distributions**	(0.26)	(0.25)	-	(0.25)	(0.23)	-
Retained distributions**	0.26	0.25	-	-	-	-
Closing net asset value	54.08	51.48	52.73	53.55	51.26	52.73
*after direct transaction costs of	(0.07)	0.02	(0.08)	(0.07)	0.02	(0.08)
Performance						
Return after charges (%)	5.05	(2.37)	5.46	4.96	(2.35)	5.46
Other information						
Closing net asset value (£000's)	55,980	34,732	1	3,767	2,885	1,055
Closing number of shares	103,522,371	67,467,825	2,000	7,034,854	5,627,659	1,999,620
Operating charges (%)	0.88	0.88	0.86	0.88	0.88	0.86
Direct transaction costs (%)***	0.13	(0.03)	0.16	0.13	(0.03)	0.16
Prices						
Highest dealing price	57.50p	57.24p	53.45p	56.95p	57.24p	53.45p
Lowest dealing price	43.06p	47.59p	49.78p	42.88p	47.59p	49.79p

Comparative Table (continued)

Financial year to 31 December	Q1 Accumulation shares			Q1 Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	51.57	52.74	50.00	51.31	52.74	50.00
Return before operating charges*	3.06	(0.80)	2.76	3.00	(0.79)	2.76
Operating charges	(0.36)	(0.37)	(0.02)	(0.36)	(0.37)	(0.02)
Return after operating charges*	2.70	(1.17)	2.74	2.64	(1.16)	2.74
Distributions**	(0.29)	(0.28)	-	(0.29)	(0.27)	-
Retained distributions**	0.29	0.28	-	-	-	-
Closing net asset value	54.27	51.57	52.74	53.66	51.31	52.74
*after direct transaction costs of	(0.07)	0.02	(0.08)	(0.07)	0.02	(0.08)
Performance						
Return after charges (%)	5.24	(2.22)	5.48	5.15	(2.20)	5.48
Other information						
Closing net asset value (£000's)	97,210	70,948	4,342	355,236	256,803	56,042
Closing number of shares	179,118,573	137,569,130	8,233,934	661,986,585	500,489,290	106,265,466
Operating charges (%)	0.70	0.70	0.68	0.70	0.70	0.68
Direct transaction costs (%)***	0.13	(0.03)	0.16	0.13	(0.03)	0.16
Prices						
Highest dealing price	57.70p	57.24p	53.45p	57.05p	57.24p	53.46p
Lowest dealing price	43.15p	47.62p	49.78p	42.93p	47.62p	49.78p

Comparative Table (continued)

Financial year to 31 December	S Accumulation shares			S Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	51.64	52.74	50.00	51.34	52.74	50.00
Return before operating charges*	3.06	(0.80)	2.76	3.00	(0.77)	2.75
Operating charges	(0.30)	(0.30)	(0.02)	(0.29)	(0.31)	(0.01)
Return after operating charges*	2.76	(1.10)	2.74	2.71	(1.08)	2.74
Distributions**	(0.34)	(0.31)	-	(0.32)	(0.32)	-
Retained distributions**	0.34	0.31	-	-	-	-
Closing net asset value	54.40	51.64	52.74	53.73	51.34	52.74
*after direct transaction costs of	(0.07)	0.02	(0.08)	(0.07)	0.02	(0.08)
Performance						
Return after charges (%)	5.34	(2.09)	5.48	5.28	(2.05)	5.48
Other information						
Closing net asset value (£000's)	41,990	19,751	10,549	60,843	76,555	1
Closing number of shares	77,182,428	38,250,905	20,002,000	113,246,699	149,116,315	2,000
Operating charges (%)	0.58	0.58	0.56	0.58	0.58	0.56
Direct transaction costs (%)***	0.13	(0.03)	0.16	0.13	(0.03)	0.16
Prices						
Highest dealing price	57.83p	57.24p	53.46p	57.11p	57.25p	53.46p
Lowest dealing price	43.21p	47.64p	49.78p	42.97p	47.64p	49.78p

Comparative Table (continued)

Financial year to 31 December	Z Accumulation shares			Z Income shares		
	2022 pence per share	2021 pence per share	2020 pence per share	2022 pence per share	2021 pence per share	2020 pence per share
Change in net asset value						
Opening net asset value	51.44	52.73	50.00	51.22	52.73	50.00
Return before operating charges*	3.05	(0.79)	2.75	3.00	(0.77)	2.75
Operating charges	(0.49)	(0.50)	(0.02)	(0.48)	(0.50)	(0.02)
Return after operating charges*	2.56	(1.29)	2.73	2.52	(1.27)	2.73
Distributions**	(0.23)	(0.23)	-	(0.24)	(0.24)	-
Retained distributions**	0.23	0.23	-	-	-	-
Closing net asset value	54.00	51.44	52.73	53.50	51.22	52.73
*after direct transaction costs of	(0.07)	0.02	(0.08)	(0.07)	0.02	(0.08)
Performance						
Return after charges (%)	4.98	(2.45)	5.46	4.92	(2.41)	5.46
Other information						
Closing net asset value (£000's)	22,529	16,598	163	8,361	4,885	1
Closing number of shares	41,723,908	32,266,284	309,638	15,628,297	9,537,897	2,000
Operating charges (%)	0.95	0.95	0.94	0.95	0.95	0.94
Direct transaction costs (%)***	0.13	(0.03)	0.16	0.13	(0.03)	0.16
Prices						
Highest dealing price	57.43p	57.23p	53.45p	56.89p	57.23p	53.45p
Lowest dealing price	43.02p	47.57p	49.78p	42.84p	47.58p	49.78p

The Fund launched on 8 December 2020.

** These figures have been rounded to 2 decimal places.

*** Direct transaction costs have been stated after deducting the proportion of the amounts collected from dilution adjustments.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Statement

	Holding at 31.12.22	Market Value £000's	% of net assets
Equities 91.31% (94.40%)			
Belgium 3.82% (4.59%)			
Elia Group	64,580	7,609	1.18
Umicore	560,676	17,073	2.64
		24,682	3.82
Brazil 0.00% (1.14%)			
Canada 4.88% (3.49%)			
Canadian Solar	486,782	12,306	1.91
Hydro One	847,106	18,882	2.92
Loop Energy	40,019	25	0.01
Nano One Materials	183,840	273	0.04
		31,486	4.88
Cayman Islands 3.50% (1.49%)			
Xinyi Solar Holdings	24,560,000	22,602	3.50
		22,602	3.50
China 1.51% (0.00%)			
Flat Glass Group H	1,691,000	3,400	0.53
LONGi Green Energy Technology A	1,248,700	6,311	0.98
		9,711	1.51
Denmark 6.81% (5.81%)			
Vestas Wind Systems	1,814,367	43,997	6.81
		43,997	6.81
France 17.30% (17.27%)			
Cie Plastic Omnium	1,296,883	15,614	2.42
Faurecia	1,113,586	13,951	2.16
Forsee Power	621,099	1,835	0.28
Legrand	145,902	9,685	1.50
Neoen	467,783	15,605	2.42
Nexans	306,708	22,981	3.56
Schneider Electric	185,577	21,523	3.33
Volitalia	697,721	10,561	1.63
		111,755	17.30
Germany 0.00% (6.13%)			
Greece 0.00% (0.25%)			
Ireland 1.50% (1.01%)			
Johnson Controls International	182,919	9,696	1.50
		9,696	1.50
Italy 3.58% (2.81%)			
Industrie De Nora	388,058	4,958	0.77
Terna - Rete Elettrica Nazionale	2,977,882	18,183	2.81
		23,141	3.58
Jersey 0.12% (0.35%)			
Invinity Energy Systems*	1,896,765	797	0.12
Invinity Energy Systems Warrant 15/09/2023 [^]	409,711	0	0.00
Invinity Energy Systems Warrant 16/12/2024 [^]	409,711	0	0.00
		797	0.12

The comparative percentage figures in brackets are as at 31 December 2021.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

Security traded on another regulated market.

[^] Unlisted, suspended or delisted security.

	Holding at 31.12.22	Market Value £000's	% of net assets
Netherlands 5.03% (5.82%)			
Alfen Beheer	131,485	9,820	1.52
Ariston Holding	1,007,209	8,588	1.33
SIF Holding	422,891	4,353	0.67
Signify	349,238	9,723	1.51
		32,484	5.03
Norway 0.00% (0.10%)			
Singapore 0.29% (0.86%)			
Maxeon Solar Technologies	145,596	1,878	0.29
		1,878	0.29
South Korea 6.46% (4.44%)			
LG Chem	57,274	22,592	3.50
Samsung SDI	49,261	19,140	2.96
		41,732	6.46
Spain 8.56% (15.04%)			
Corp. ACCIONA Energias Renovables	457,154	14,658	2.27
EDP Renovaveis	1,099,120	20,069	3.11
Red Electrica	1,423,856	20,535	3.18
		55,262	8.56
Sweden 0.94% (1.39%)			
OX2	867,591	6,088	0.94
		6,088	0.94
Switzerland 4.29% (3.98%)			
ABB	315,335	7,950	1.23
Gurit Holding	82,418	6,658	1.03
Landis+Gyr Group	223,401	13,088	2.03
		27,696	4.29
United Kingdom 4.13% (5.30%)			
Ilika*	582,347	137	0.02
Johnson Matthey	1,147,084	24,399	3.78
Pod Point Group Holdings	2,164,704	1,320	0.21
Saietta Group*	1,379,141	800	0.12
		26,656	4.13
United States of America 18.59% (13.13%)			
Array Technologies	397,457	6,225	0.96
Enphase Energy	53,637	11,723	1.82
First Solar	157,081	19,178	2.97
Fluence Energy	200,603	2,780	0.43
Itron	359,193	15,005	2.32
Ormat Technologies	142,071	10,198	1.58
Plug Power	1,061,810	10,769	1.67
SolarEdge Technologies	142,092	32,841	5.08
Stem	1,556,747	11,376	1.76
		120,095	18.59
Equities total		589,758	91.31
Portfolio of investments		589,758	91.31
Net other assets		56,158	8.69
Net assets attributable to shareholders		645,916	100.00

Statement of Total Return

For the year ended 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Income					
Net capital gains/(losses)	2		31,654		(11,948)
Revenue	3	7,278		3,792	
Expenses	4	(3,893)		(2,066)	
Net revenue before taxation		3,385		1,726	
Taxation	5	(502)		(408)	
Net revenue after taxation			2,883		1,318
Total return before distributions			34,537		(10,630)
Distributions	6		(3,203)		(1,486)
Change in net assets attributable to shareholders from investment activities			31,334		(12,116)

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	2022		2021	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		483,157		72,154
Amounts receivable on issue of shares	178,913		427,368	
Amounts payable on cancellation of shares	(48,573)		(5,086)	
		130,340		422,282
Dilution adjustment		134		439
Change in net assets attributable to shareholders from investment activities		31,334		(12,116)
Retained distribution on Accumulation shares		951		398
Closing net assets attributable to shareholders		645,916		483,157

Balance Sheet

As at 31 December 2022

	Notes	2022		2021	
		£000's	£000's	£000's	£000's
Assets					
Investments			589,758		456,086
Current assets					
Debtors	8		3,530		2,286
Cash and bank balances			58,556		27,969
Total assets			651,844		486,341
Liabilities					
Creditors					
Distributions payable			-		(15)
Other creditors	9		(5,928)		(3,169)
Total liabilities			(5,928)		(3,184)
Net assets attributable to shareholders			645,916		483,157

Notes to the Accounts

For the year ended 31 December 2022

1 Accounting policies

Basis of preparation

The applicable accounting policies adopted by Schroder Global Energy Transition Fund are disclosed on pages 9 to 10.

2 Net capital gains/(losses)

The net capital gains/(losses) during the year comprise:

	2022	2021
	£000's	£000's
Non-derivative securities	31,487	(11,921)
Forward foreign currency contracts	(15)	5
Foreign currency gains/(losses)	182	(26)
Transaction costs	-	(6)
Net capital gains/(losses)	31,654	(11,948)

3 Revenue

	2022	2021
	£000's	£000's
UK dividends	718	281
Overseas dividends	6,300	3,510
Scrip dividends	34	-
Bank interest	226	1
Total revenue	7,278	3,792

4 Expenses

	2022	2021
	£000's	£000's
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director fee	-	74
Administration charge	-	23
Schroders Annual Charge ^{1,2}	3,892	1,963
	3,892	2,060
Payable to the Depositary, associates of the Depositary and agents of either of them:		
Depositary's fees	-	2
Safe custody fees	-	1
	-	3
Other expenses:		
Audit fee ²	-	1
Professional fee	-	1
Interest payable	1	1
	1	3
Total expenses	3,893	2,066

1 Fees such as the Authorised Corporate Director fee, Administration fee, Depositary fee and Audit fee were paid separately to 28 February 2021. From 1 March 2021 these fees were replaced with the Schroders Annual Charge.

2 Audit fees including VAT for the financial year ending 2022 were £10,628 (2021 - £10,628).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

5 Taxation

Corporation tax has not been provided for as expenses payable by the Fund exceed the revenue liable to corporation tax.

(a) Analysis of the tax charge for the year

	2022	2021
	£000's	£000's
Overseas withholding tax	502	408
Total current tax (Note 5(b))	502	408

(b) Factors affecting the current tax charge for the year

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for Open Ended Investment Companies of 20% (2021 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2022	2021
	£000's	£000's
Net revenue before taxation	3,385	1,726
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	677	345
Effects of:		
Revenue not subject to corporation tax	(1,406)	(731)
Movement in excess management expenses	729	386
Overseas withholding tax	502	408
Current tax charge for the year (Note 5(a))	502	408

(c) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £1,123,414 (2021 – £394,517) in respect of unutilised management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year.

6 Distributions

The distributions take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2022	2021
	£000's	£000's
Quarterly Dividend distribution	–	10
Interim Dividend distribution	3,225	1,612
Final Dividend distribution	12	18
	3,237	1,640
Add: Revenue deducted on cancellation of shares	12	–
Deduct: Revenue received on issue of shares	(46)	(154)
Distributions	3,203	1,486
Net revenue after taxation	2,883	1,318
Scrip dividends not distributed	(34)	–
Deficit taken to capital	354	168
Distributions	3,203	1,486

Details of the distributions per share are set out in the Distribution Tables on pages 276 to 278.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

7 Fair value hierarchy

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Basis of valuation	2022		2021	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	589,758	-	456,086	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	589,758	-	456,086	-

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Authorised Corporate Director has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Authorised Corporate Director of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Authorised Corporate Director with particular attention paid to the carrying value of the investments.

8 Debtors

	2022 £000's	2021 £000's
Amounts receivable for issue of shares	1,083	1,322
Sales awaiting settlement	1,473	571
Accrued revenue	717	301
Prepaid expenses	1	-
Overseas withholding tax recoverable	256	92
Total debtors	3,530	2,286

9 Other creditors

	2022 £000's	2021 £000's
Amounts payable for cancellation of shares	37	1,475
Purchases awaiting settlement	5,515	1,413
Accrued expenses	376	281
Total other creditors	5,928	3,169

10 Contingent liabilities

The aggregate contingent liabilities not provided for at the balance sheet date are:

	2022 £000's	2021 £000's
Warrants	1,536	549
Total contingent liabilities	1,536	549

Warrants are held by the Fund which give the option to acquire Invinity Energy Systems ordinary shares at 15.9.23 and Invinity Energy Systems ordinary shares at 16.12.24.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

11 Related party transactions

The Authorised Corporate Director provides key management personnel services for the Fund and is therefore considered a related party.

Amounts paid during the year or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies received through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 14.28% (2021 – 19.93%).

12 Share classes

At the reporting date the Fund had eight share classes. The costs and expenses due to the Manager are referred to as the Schroders Annual Charge. Details of the charges applied to each share class can be found in the prospectus.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on pages 263 to 266.

The distributions per share class are given in the Distribution Tables on pages 276 to 278.

All classes have the same rights on winding up.

13 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity and interest rate risks. The Authorised Corporate Director's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £58,975,800 (2021 - £45,608,600).

Foreign currency risk

Where a portion of the net assets of the Fund are denominated in currencies other than sterling the balance sheet and total return can be affected by currency movements. Therefore the Authorised Corporate Director may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the Fund's exposure to currency risk is reduced.

Revenue received in other currencies is translated to sterling on or near the date of receipt. The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Currency risk profile

The currency risk profile of the Fund's net assets and liabilities at the balance sheet date was as follows:

Currency	2022 £000's	2021 £000's
Brazilian real	-	5,539
Canadian dollar	19,304	9,813
Chinese yuan	6,741	-
Danish krone	44,011	28,095
Euro	247,575	251,204
Hong Kong dollar	26,002	7,193
Norwegian krone	-	482
South Korean won	42,144	21,580
Sterling	86,255	53,755
Swedish krona	6,088	6,698
Swiss franc	27,696	19,213
US dollar	140,100	79,585

At the year end date, if the value of Sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £55,966,100 (2021 - £42,940,200).

Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the Collective Investment Schemes sourcebook.

Interest rate risk

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

Interest receivable on bank deposits positions will be affected by fluctuations in interest rates.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of financial assets and financial liabilities at the balance sheet date was as follows:

Currency	2022				2021			
	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's
Brazilian real	-	-	-	-	-	-	5,539	5,539
Canadian dollar	124	-	19,182	19,306	58	-	9,755	9,813
Chinese yuan	430	-	6,311	6,741	-	-	-	-
Danish krone	-	-	44,011	44,011	647	-	28,095	28,742
Euro	4	-	247,715	247,719	323	-	251,443	251,766
Hong Kong dollar	-	-	26,002	26,002	-	-	7,193	7,193
Norwegian krone	-	-	-	-	-	-	482	482
South Korean won	-	-	42,144	42,144	445	-	21,580	22,025
Sterling	57,945	-	28,785	86,730	27,175	-	28,796	55,971
Swedish krona	-	-	6,088	6,088	-	-	6,698	6,698
Swiss franc	-	-	27,696	27,696	81	-	19,213	19,294
US dollar	117	-	145,354	145,471	7	-	79,578	79,585

Currency	2022				2021			
	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's
Canadian dollar	2	-	-	2	-	-	-	-
Danish krone	-	-	-	-	-	-	647	647
Euro	-	-	144	144	322	-	240	562
South Korean won	-	-	-	-	-	-	445	445
Sterling	62	-	413	475	445	-	1,771	2,216
Swiss franc	-	-	-	-	-	-	81	81
US dollar	-	-	5,371	5,371	-	-	-	-

At the year end, if all interest rates increased or decreased by 10%, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £5,855,600 (2021 - £2,796,900).

Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average Rate. Foreign currency bank balances bear interest at rates based on the Sterling Overnight Index Average Rate or its international equivalent.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Global risk exposure

Commitment approach

When using derivatives, the Authorised Corporate Director uses a risk management process that enables it to monitor the risk of a Fund's derivative positions. The global risk exposure of a Fund is calculated daily either by means of the commitment approach or the Value-at-Risk (VaR) approach.

Under the commitment approach, the global risk exposure is defined as the underlying market value of derivatives, after netting and hedging as permitted by the regulation, not exceeding the Net Asset Value of a Fund. This is typically used on Funds where derivative usage is low or Funds which limit their derivatives commitment to 100% or less of their Net Asset Value.

The global risk exposure of the Fund is calculated using the commitment approach. During the year ended 31 December 2022 the global risk exposure of the Fund did not exceed 100% of its Net Asset Value. The lowest, highest, average and actual level of leverage for the Fund as at the balance sheet date was as follows:

Notes to the Accounts

For the year ended 31 December 2022 (continued)

Leverage

	2022				2021			
	Lowest	Highest	Average	Leverage 31 December	Lowest	Highest	Average	Leverage 31 December
	0.00%	1.77%	0.29%	0.01%	0.00%	16.27%	0.89%	0.09%

14 Direct transaction costs

In the case of shares, broker commissions and transfer taxes/stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Purchases ¹ :						
Equities	479,421	201	362	479,984	0.04	0.08
Corporate actions purchases:						
Equities	4,267	-	-	4,267	-	-
	483,688	201	362	484,251		
Sales						
Equities	382,264	(137)	(62)	382,065	(0.04)	(0.02)
Total cost of the Fund's average net asset value (%)		0.06	0.08			

1 Excluding corporate actions.

2021	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Purchases ¹ :						
Equities	615,506	11	123	615,640	-	0.02
Corporate actions purchases:						
Equities	2,987	-	-	2,987	-	-
	618,493	11	123	618,627		
Sales						
Equities	209,052	(9)	-	209,043	-	-
Total cost of the Fund's average net asset value (%)		0.01	0.04			

1 Excluding corporate actions.

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.18% (2021 – 0.30%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

15 Shares in issue reconciliation

	Number of shares in issue 31.12.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 31.12.22
L Accumulation shares	67,467,825	42,275,110	(6,215,364)	(5,200)	103,522,371
L Income shares	5,627,659	3,033,872	(1,653,904)	27,227	7,034,854
Q1 Accumulation shares	137,569,130	50,568,896	(8,917,631)	(101,822)	179,118,573
Q1 Income shares	500,489,290	186,761,318	(24,993,969)	(270,054)	661,986,585
S Accumulation shares	38,250,905	38,931,523	-	-	77,182,428
S Income shares	149,116,315	8,071,977	(43,941,593)	-	113,246,699
Z Accumulation shares	32,266,284	16,995,085	(7,589,848)	52,387	41,723,908
Z Income shares	9,537,897	7,023,209	(1,231,569)	298,760	15,628,297

16 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 December 2022, the price of each share class has changed as follows:

	Dealing price 21.4.23	Dealing price 30.12.22	% change
L Accumulation shares	54.93p	54.35p	1.07
L Income shares	54.40p	53.83p	1.06
Q1 Accumulation shares	55.16p	54.55p	1.12
Q1 Income shares	54.54p	53.93p	1.13
S Accumulation shares	55.31p	54.68p	1.15
S Income shares	54.62p	54.00p	1.15
Z Accumulation shares	54.83p	54.27p	1.03
Z Income shares	54.33p	53.77p	1.04

Distribution Tables

Quarterly distribution for the three months ended 31 March 2022

Group 1 Shares purchased prior to 1 January 2022

Group 2 Shares purchased on or after 1 January 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.5.22 per share	Distribution paid 31.5.21 per share
L Accumulation shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
L Income shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
Q1 Accumulation shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
Q1 Income shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
S Accumulation shares				
Group 1	-	-	-	0.0015p
Group 2	-	-	-	0.0015p
S Income shares				
Group 1	-	-	-	0.0154p
Group 2	-	-	-	0.0154p
Z Accumulation shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
Z Income shares				
Group 1	-	-	-	-
Group 2	-	-	-	-

Interim distribution for the three months ended 30 June 2022

Group 1 Shares purchased prior to 1 April 2022

Group 2 Shares purchased on or after 1 April 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.8.22 per share	Distribution paid 31.8.21 per share
L Accumulation shares				
Group 1	0.2568p	-	0.2568p	0.2476p
Group 2	0.1951p	0.0617p	0.2568p	0.2476p
L Income shares				
Group 1	0.2540p	-	0.2540p	0.2291p
Group 2	0.1967p	0.0573p	0.2540p	0.2291p
Q1 Accumulation shares				
Group 1	0.2929p	-	0.2929p	0.2769p
Group 2	0.1768p	0.1161p	0.2929p	0.2769p

Distribution Tables

(continued)

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.8.22 per share	Distribution paid 31.8.21 per share
Q1 Income shares				
Group 1	0.2928p	-	0.2928p	0.2732p
Group 2	0.2097p	0.0831p	0.2928p	0.2732p
S Accumulation shares				
Group 1	0.3234p	-	0.3234p	0.2983p
Group 2	0.3039p	0.0195p	0.3234p	0.2983p
S Income shares				
Group 1	0.3199p	-	0.3199p	0.2982p
Group 2	0.3199p	-	0.3199p	0.2982p
Z Accumulation shares				
Group 1	0.2303p	-	0.2303p	0.2349p
Group 2	0.1401p	0.0902p	0.2303p	0.2349p
Z Income shares				
Group 1	0.2370p	-	0.2370p	0.2405p
Group 2	0.1669p	0.0701p	0.2370p	0.2405p

Quarterly distribution for the three months ended 30 September 2022

Group 1 Shares purchased prior to 1 July 2022

Group 2 Shares purchased on or after 1 July 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 30.11.22 per share	Distribution paid 30.11.21 per share
L Accumulation shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
L Income shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
Q1 Accumulation shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
Q1 Income shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
S Accumulation shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
S Income shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
Z Accumulation shares				
Group 1	-	-	-	-
Group 2	-	-	-	-

Distribution Tables

(continued)

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 30.11.22 per share	Distribution paid 30.11.21 per share
Z Income shares				
Group 1	-	-	-	-
Group 2	-	-	-	-

Final distribution for the three months ended 31 December 2022

Group 1 Shares purchased prior to 1 October 2022

Group 2 Shares purchased on or after 1 October 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
L Accumulation shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
L Income shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
Q1 Accumulation shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
Q1 Income shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
S Accumulation shares				
Group 1	0.0159p	-	0.0159p	0.0092p
Group 2	0.0159p	-	0.0159p	0.0092p
S Income shares				
Group 1	-	-	-	0.0100p
Group 2	-	-	-	0.0100p
Z Accumulation shares				
Group 1	-	-	-	-
Group 2	-	-	-	-
Z Income shares				
Group 1	-	-	-	-
Group 2	-	-	-	-

Equalisation

Equalisation applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Schroder Global Sustainable Growth Fund

Fund Performance

Investment objective and policy

Schroder Global Sustainable Growth Fund (the 'Fund') aims to provide capital growth in excess of the MSCI All Country World (Net Total Return) Index (after the deduction of fees) over any three to five year period by investing in equity and equity related securities of companies worldwide which meet the Investment Manager's sustainability criteria.

The Fund is actively managed and invests at least 80% of its assets in a concentrated portfolio of equity and equity related securities of companies worldwide. The Fund only invests in companies that have a positive rating based on the Investment Manager's sustainability criteria (please see the Fund Characteristics section of the Prospectus for more details).

The Fund typically holds 30 to 50 companies.

The Fund only invests in companies that have good governance procedures, as determined by the Investment Manager's rating criteria (please see the Fund Characteristics section of the Prospectus for more details). These may include companies that the Investment Manager believes will improve their governance practices within a reasonable timeframe, typically six months to two years.

The Investment Manager also engages with companies held by the Fund to challenge identified areas of weakness on sustainability issues. More details on the Investment Manager's approach to sustainability and its engagement with companies are available on the website <https://www.schroders.com/en/uk/private-investor/strategic-capabilities/sustainability/>.

The Fund does not invest in the sectors listed in the Fund Characteristics section of the prospectus.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to Appendix III. Section 10: Derivatives and Forwards of the Prospectus).

Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI All Country World (Net Total Return) index. The Investment Adviser invests on a discretionary basis and is not limited to investing in accordance with the composition of this benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide.

Review of Investment Activities

From 31 December 2021 to 30 December 2022, the price of Z Accumulation shares on a dealing price basis fell 7.83%. In the same period, the MSCI All Country World Index generated a negative net return of 8.08%¹ in sterling terms.

Global equities posted strong returns at the start of 2022 as investors focused on economic resilience and corporate earnings. However, Russia's invasion of Ukraine in late February caused a global shock, with equities declining and commodity prices soaring, given that Russia is a key producer of several important commodities. Shares remained under pressure in the spring and summer of 2022 as investors moved to price in interest rate rises and an increased risk of recession. Chinese shares fell sharply in October after Xi Jinping secured a historic third leadership term. Ongoing political tensions with Taiwan also weakened sentiment. Shares gained in November with emerging market equities outperforming their developed market counterparts.

Stock selection was positive, particularly in financials, consumer discretionary and information technology. Conversely, our holdings in industrials and consumer staples detracted. Our zero-weight allocations to utilities and energy also weighed on returns. By region, our positions in emerging markets, Pacific ex Japan, North America and the UK added value, while Japan and Continental Europe detracted.

Brazilian stock exchange operator B3 SA - Brasil Bolsa Balcao achieved a positive performance despite challenges to revenue trends. Market volatility and geopolitical tensions, such as Russia's invasion of Ukraine, has created a more risk-averse environment, with many companies choosing to postpone initial public offerings until the economic climate improves. However, despite the short-term challenges, we believe the company remains well-positioned with its monopolistic competitive position and high margin business.

Alphabet detracted in the period. The company, which operates the Google search engine, is cutting jobs as customers reduce their spending on advertising amid the global economic slowdown. However, despite the short-term challenges, we continue to see Alphabet as one of the best companies in the world with its scale and span providing exceptional competitive advantages and a strong runway for growth in revenue and cash flow.

We initiated new positions in Norsk Hydro and Unilever in the period. We also sold our holdings in First Republic Bank. We trimmed our positions in a number of stocks in the period. These included Booking Holdings, HDFC Bank, Microsoft and Nestle.

Co-Fund Manager:
Scott MacLennan



Scott is co-manager of Schroder ISF European Sustainable Equity since 2018 and co-manager of Schroder European Sustainable Equity Fund since 2021

Fund manager for European ex UK institutional portfolios since 2017

Joined Schroders in 2015 as an analyst covering the European Consumer sector

Previously a Fund Manager at Neptune Investment Management focusing on the UK

Investment experience commenced in 2012

CFA all examinations passed

MA in Classics, Cambridge University

Co-Fund Manager:
Charles Somers



Charles Somers is a Portfolio Manager at Schroders, on the London-based Global equities team, co-managing the Global Sustainable Growth strategy and leading the Changing Lifestyles strategy as well as a number of specialist institutional global equity portfolios. He joined Schroders in 1998 and is based in London

Charles was a Global Sector Specialist at Schroders from 2008 to 2014, responsible for the consumer staples and consumer discretionary sectors

He was a Portfolio Manager at Intrinsic Value Investors from 2006 to 2008, a long only, boutique value manager focused on European companies

He was an Equity research analyst at Schroders from 1998 to 2006, which involved covering European Consumer stocks. Prior to that worked on US team, specialising in healthcare

Charles is a CFA Charterholder; BA in Classics from Oxford University

¹ Source: Refinitiv Eikon Datastream.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Risk Profile

Risk and reward indicator



The risk category was calculated using simulated historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Comparative Table

Financial year to 31 December	L Accumulation shares		L Income shares	
	2022 pence per share	2021 pence per share	2022 pence per share	2021 pence per share
Change in net asset value				
Opening net asset value	58.65	50.00	58.51	50.00
Return before operating charges*	(4.17)	9.08	(4.20)	9.07
Operating charges	(0.42)	(0.43)	(0.40)	(0.42)
Return after operating charges*	(4.59)	8.65	(4.60)	8.65
Distributions**	(0.42)	(0.15)	(0.34)	(0.14)
Retained distributions**	0.42	0.15	-	-
Closing net asset value	54.06	58.65	53.57	58.51
*after direct transaction costs of	(0.03)	(0.08)	(0.03)	(0.07)
Performance				
Return after charges (%)	(7.83)	17.30	(7.86)	17.30
Other information				
Closing net asset value (£000's)	14,944	9,327	397	26
Closing number of shares	27,645,795	15,903,418	741,886	44,513
Operating charges (%)	0.77	0.77	0.77	0.77
Direct transaction costs (%)***	0.05	0.13	0.05	0.13
Prices				
Highest dealing price	58.94p	60.31p	58.80p	60.18p
Lowest dealing price	49.19p	48.41p	49.07p	48.41p

Comparative Table (continued)

Financial year to 31 December	S Accumulation shares		S Income shares	
	2022 pence per share	2021 pence per share	2022 pence per share	2021 pence per share
Change in net asset value				
Opening net asset value	58.84	50.00	58.51	50.00
Return before operating charges*	(4.19)	9.13	(4.19)	9.06
Operating charges	(0.28)	(0.29)	(0.27)	(0.27)
Return after operating charges*	(4.47)	8.84	(4.46)	8.79
Distributions**	(0.56)	(0.31)	(0.56)	(0.28)
Retained distributions**	0.56	0.31	-	-
Closing net asset value	54.37	58.84	53.49	58.51
*after direct transaction costs of	(0.03)	(0.08)	(0.03)	(0.07)
Performance				
Return after charges (%)	(7.60)	17.68	(7.62)	17.58
Other information				
Closing net asset value (£000's)	17,659	21,129	184,487	165,650
Closing number of shares	32,478,150	35,911,869	344,888,730	283,104,354
Operating charges (%)	0.51	0.51	0.51	0.51
Direct transaction costs (%)***	0.05	0.13	0.05	0.13
Prices				
Highest dealing price	59.13p	60.48p	58.80p	60.24p
Lowest dealing price	49.40p	48.41p	49.13p	48.41p

Comparative Table (continued)

Financial year to 31 December	X Accumulation shares		X Income shares	
	2022 pence per share	2021 pence per share	2022 pence per share	2021 pence per share
Change in net asset value				
Opening net asset value	59.07	50.00	58.52	50.00
Return before operating charges*	(4.21)	9.09	(4.19)	9.06
Operating charges	(0.02)	(0.02)	(0.02)	-
Return after operating charges*	(4.23)	9.07	(4.21)	9.06
Distributions**	(0.82)	(0.52)	(0.82)	(0.54)
Retained distributions**	0.82	0.52	-	-
Closing net asset value	54.84	59.07	53.49	58.52
*after direct transaction costs of	(0.03)	(0.07)	(0.03)	(0.07)
Performance				
Return after charges (%)	(7.16)	18.14	(7.19)	18.12
Other information				
Closing net asset value (£000's)	1	31,454	1	1
Closing number of shares	2,000	53,250,699	2,000	2,000
Operating charges (%)	0.04	0.04	0.04	0.04
Direct transaction costs (%)***	0.05	0.13	0.05	0.13
Prices				
Highest dealing price	59.37p	60.69p	58.82p	60.37p
Lowest dealing price	49.71p	48.42p	49.25p	48.42p

Comparative Table (continued)

Financial year to 31 December	Z Accumulation shares		Z Income shares	
	2022 pence per share	2021 pence per share	2022 pence per share	2021 pence per share
Change in net asset value				
Opening net asset value	58.62	50.00	58.49	50.00
Return before operating charges*	(4.17)	9.08	(4.18)	9.06
Operating charges	(0.45)	(0.46)	(0.45)	(0.45)
Return after operating charges*	(4.62)	8.62	(4.63)	8.61
Distributions**	(0.39)	(0.13)	(0.40)	(0.12)
Retained distributions**	0.39	0.13	-	-
Closing net asset value	54.00	58.62	53.46	58.49
*after direct transaction costs of	(0.03)	(0.07)	(0.03)	(0.07)
Performance				
Return after charges (%)	(7.88)	17.24	(7.92)	17.22
Other information				
Closing net asset value (£000's)	6,942	1,207	1,804	70
Closing number of shares	12,855,193	2,059,635	3,375,000	120,187
Operating charges (%)	0.84	0.84	0.84	0.84
Direct transaction costs (%)***	0.05	0.13	0.05	0.13
Prices				
Highest dealing price	58.91p	60.29p	58.78p	60.15p
Lowest dealing price	49.15p	48.41p	49.04p	48.41p

The Fund launched on 19 January 2021.

** These figures have been rounded to 2 decimal places.

*** Direct transaction costs have been stated after deducting the proportion of the amounts collected from dilution adjustments.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a share class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Authorised Corporate Director fee, Registrar fees, Safe custody fees, Depositary's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are shares of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. Exchange rate changes may cause the value of any overseas investments to rise or fall.

Portfolio Statement

	Holding at 31.12.22	Market Value £000's	% of net assets
Equities 97.61% (98.67%)			
Australia 1.61% (0.00%)			
Macquarie Group	38,715	3,644	1.61
		3,644	1.61
Brazil 3.04% (2.76%)			
B3 SA - Brasil Bolsa Balcao	1,053,748	2,192	0.97
Raia Drogasil	1,254,634	4,686	2.07
		6,878	3.04
Canada 3.08% (3.38%)			
Toronto-Dominion Bank	129,740	6,973	3.08
		6,973	3.08
Denmark 2.52% (2.00%)			
Vestas Wind Systems	235,132	5,702	2.52
		5,702	2.52
France 3.37% (3.20%)			
Schneider Electric	65,681	7,618	3.37
		7,618	3.37
Germany 0.00% (2.18%)			
Hong Kong 4.14% (3.28%)			
AIA Group	1,014,000	9,375	4.14
		9,375	4.14
India 2.44% (2.55%)			
HDFC Bank ADR	97,613	5,526	2.44
		5,526	2.44
Indonesia 0.00% (2.10%)			
Ireland 2.73% (2.40%)			
Trane Technologies	44,326	6,183	2.73
		6,183	2.73
Italy 2.15% (0.00%)			
FincoBank Banca Finco	353,991	4,867	2.15
		4,867	2.15
Japan 3.72% (2.92%)			
Recruit Holdings	208,800	5,489	2.43
Sekisui Chemical	251,100	2,917	1.29
		8,406	3.72
Kenya 0.00% (0.14%)			
Netherlands 2.23% (2.01%)			
ASML Holding	11,263	5,034	2.23
		5,034	2.23
Norway 1.42% (1.20%)			
Norsk Hydro	519,017	3,210	1.42
		3,210	1.42
Singapore 3.03% (2.13%)			
DBS Group Holdings	326,300	6,860	3.03
		6,860	3.03

	Holding at 31.12.22	Market Value £000's	% of net assets
Spain 2.10% (2.86%)			
Industria de Diseno Textil	215,893	4,760	2.10
		4,760	2.10
Sweden 1.01% (2.00%)			
Husqvarna B	390,698	2,285	1.01
		2,285	1.01
Switzerland 4.18% (5.57%)			
Nestle	43,713	4,208	1.86
Roche Holding	20,138	5,256	2.32
		9,464	4.18
Taiwan 2.27% (3.67%)			
Taiwan Semiconductor Manufacturing ADR	83,476	5,134	2.27
		5,134	2.27
United Kingdom 15.33% (13.66%)			
AstraZeneca	63,927	7,171	3.17
Bunzl	210,709	5,813	2.57
Greggs	117,575	2,756	1.22
Kingfisher	860,216	2,031	0.90
Reckitt Benckiser Group	70,995	4,085	1.81
RELX	243,569	5,573	2.46
Spirax-Sarco Engineering	25,551	2,712	1.20
Unilever	108,309	4,530	2.00
		34,671	15.33
United States of America 37.24% (38.66%)			
Adobe	15,993	4,440	1.96
Alphabet A	111,225	8,086	3.58
Booking Holdings	3,624	6,041	2.67
Deckers Outdoor	15,505	5,131	2.27
Dexcom	44,848	4,167	1.84
Elevance Health	17,715	7,515	3.32
Mastercard A	18,315	5,270	2.33
Microsoft	66,090	13,142	5.81
Oak Street Health	45,410	802	0.36
Salesforce	26,734	2,924	1.29
Texas Instruments	49,468	6,748	2.98
Thermo Fisher Scientific	17,764	8,108	3.59
UnitedHealth Group	15,691	6,885	3.04
Visa A	28,884	4,979	2.20
		84,238	37.24
Equities total		220,828	97.61
Portfolio of investments		220,828	97.61
Net other assets		5,407	2.39
Net assets attributable to shareholders		226,235	100.00

The comparative percentage figures in brackets are as at 31 December 2021.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

Statement of Total Return

For the year ended 31 December 2022

	Notes	2022		19.1.21 to 31.12.21	
		£000's	£000's	£000's	£000's
Income					
Net capital (losses)/gains	2		(15,947)		24,018
Revenue	3	4,730		1,749	
Expenses	4	(1,185)		(674)	
Net revenue before taxation		3,545		1,075	
Taxation	5	(401)		(205)	
Net revenue after taxation			3,144		870
Total return before distributions			(12,803)		24,888
Distributions	6		(3,144)		(870)
Change in net assets attributable to shareholders from investment activities			(15,947)		24,018

Statement of Change in Net Assets Attributable to Shareholders

For the year ended 31 December 2022

	2022		19.1.21 to 31.12.21	
	£000's	£000's	£000's	£000's
Opening net assets attributable to shareholders		228,864		-
Amounts receivable on issue of shares	141,053		225,854	
Amounts payable on cancellation of shares	(128,537)		(21,494)	
		12,516		204,360
Dilution adjustment		181		229
Change in net assets attributable to shareholders from investment activities		(15,947)		24,018
Retained distribution on Accumulation shares		621		257
Closing net assets attributable to shareholders		226,235		228,864

Balance Sheet

As at 31 December 2022

	Notes	2022	2021
		£000's	£000's
Assets			
Investments		220,828	225,824
Current assets			
Debtors	8	191	1,055
Cash and bank balances		6,086	2,502
Total assets		227,105	229,381
Liabilities			
Creditors			
Distributions payable		(633)	(240)
Other creditors	9	(237)	(277)
Total liabilities		(870)	(517)
Net assets attributable to shareholders		226,235	228,864

Notes to the Accounts

For the year ended 31 December 2022

1 Accounting policies

Basis of preparation

The applicable accounting policies adopted by Schroder Global Sustainable Growth Fund are disclosed on pages 9 to 10.

2 Net capital (losses)/gains

The net capital (losses)/gains during the year/period comprise:

	2022	19.1.21 to 31.12.21
	£000's	£000's
Non-derivative securities	(15,909)	24,030
Forward foreign currency contracts	3	(69)
Foreign currency (losses)/gains	(41)	59
Transaction costs	-	(2)
Net capital (losses)/gains	(15,947)	24,018

3 Revenue

	2022	19.1.21 to 31.12.21
	£000's	£000's
UK dividends	1,160	308
Overseas dividends	3,514	1,441
Bank interest	56	-
Total revenue	4,730	1,749

4 Expenses

	2022	19.1.21 to 31.12.21
	£000's	£000's
Payable to the Authorised Corporate Director, associates of the Authorised Corporate Director and agents of either of them:		
Authorised Corporate Director fee	-	24
Administration charge	-	11
Schroders Annual Charge ^{1,2}	1,182	633
	1,182	668
Payable to the Depository, associates of the Depository and agents of either of them:		
Depository's fees	-	1
Safe custody fees	-	1
Dividend expenses	3	1
	3	3
Other expenses:		
Audit fee ²	-	1
Professional fee	-	1
Interest payable	-	1
	-	3
Total expenses	1,185	674

1 Fees such as the Authorised Corporate Director fee, Administration fee, Depository fee and Audit fee were paid separately to 28 February 2021. From 1 March 2021 these fees were replaced with the Schroders Annual Charge.

2 Audit fees including VAT for the financial year ending 2022 were £11,655 (2021 - £11,655).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

5 Taxation

Corporation tax has not been provided for as expenses payable by the Fund exceed the revenue liable to corporation tax.

(a) Analysis of the tax charge for the year/period

	2022	19.1.21 to 31.12.21
	£000's	£000's
Overseas withholding tax	401	205
Total current tax (Note 5(b))	401	205

(b) Factors affecting the current tax charge for the year/period

The tax assessed for the year/period is different from that calculated when the standard rate of corporation tax for Open Ended Investment Companies of 20% (2021 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2022	19.1.21 to 31.12.21
	£000's	£000's
Net revenue before taxation	3,545	1,075
Net revenue for the year/period before taxation multiplied by the standard rate of corporation tax	709	215
Effects of:		
Revenue not subject to corporation tax	(917)	(348)
Movement in excess management expenses	208	133
Irrecoverable overseas withholding tax	401	205
Current tax charge for the year/period (Note 5(a))	401	205

(c) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £340,696 (2021 – £132,817) in respect of unutilised management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior period.

6 Distributions

The distributions, take account of revenue received on the issue of shares and revenue deducted on the cancellation of shares, and comprise:

	2022	19.1.21 to 31.12.21
	£000's	£000's
Interim Dividend distribution	2,364	574
Final Dividend distribution	736	391
	3,100	965
Add: Revenue deducted on cancellation of shares	312	14
Deduct: Revenue received on issue of shares	(268)	(109)
Distributions	3,144	870

Details of the distributions per share are set out in the Distribution Tables on pages 294 to 295.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

7 Fair value hierarchy

Instruments held at the year end are presented in line with amendments to FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland Fair value hierarchy disclosures.

Basis of valuation	2022		2021	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	220,828	-	225,824	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	220,828	-	225,824	-

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Authorised Corporate Director has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Authorised Corporate Director of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Authorised Corporate Director with particular attention paid to the carrying value of the investments.

8 Debtors

	2022 £000's	2021 £000's
Amounts receivable for issue of shares	69	871
Sales awaiting settlement	-	86
Accrued revenue	95	82
Prepaid expenses	1	-
Overseas withholding tax recoverable	26	16
Total debtors	191	1,055

9 Other creditors

	2022 £000's	2021 £000's
Amounts payable for cancellation of shares	136	189
Accrued expenses	101	88
Total other creditors	237	277

10 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2021 – Nil).

11 Related party transactions

The Authorised Corporate Director provides key management personnel services for the Fund and is therefore considered a related party.

Amounts paid during the year/period or due to the Authorised Corporate Director at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

The Authorised Corporate Director acts as principal on all transactions of shares in the Fund. The aggregate monies received through the issue and cancellation of shares are disclosed in the Statement of Change in Net Assets Attributable to Shareholders and Distributions in the Notes to the Accounts. Amounts due from or to the Authorised Corporate Director in respect of share transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Shares held or managed by the Authorised Corporate Director or associates of the Authorised Corporate Director as a percentage of the Fund's net asset value at the balance sheet date were 79.60% (2021 – 89.55%).

Notes to the Accounts

For the year ended 31 December 2022 (continued)

12 Share classes

At the reporting date the Fund had eight share classes. The costs and expenses due to the Manager are referred to as the Schroders Annual Charge. Details of the charges applied to each share class can be found in the prospectus.

The closing net asset value of each share class, the closing net asset value per share and the closing number of shares in issue are given in the Comparative Table on pages 282 to 285.

The distributions per share class are given in the Distribution Tables on pages 294 to 295.

All classes have the same rights on winding up.

13 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity and interest rate risks. The Authorised Corporate Director's policies for managing these risks are summarised below and have been applied throughout the year and the prior period.

Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Authorised Corporate Director in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Instrument of Incorporation, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the shareholders would increase or decrease by approximately £22,082,800 (2021 - £22,582,400).

Foreign currency risk

Where a portion of the net assets of the Fund are denominated in currencies other than sterling the balance sheet and total return can be affected by currency movements. Therefore the Authorised Corporate Director may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the Fund's exposure to currency risk is reduced.

Revenue received in other currencies is translated to sterling on or near the date of receipt. The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Currency risk profile

The currency risk profile of the Fund's net assets and liabilities at the balance sheet date was as follows:

Currency	2022 £000's	2021 £000's
Australian dollar	3,644	-
Brazilian real	6,900	6,357
Canadian dollar	6,973	7,732
Danish krone	5,705	4,585
Euro	22,301	23,471
Hong Kong dollar	9,375	7,495
Indonesian rupiah	-	4,810
Japanese yen	8,406	6,693
Kenyan shilling	-	397
Norwegian krone	3,212	2,758
Singapore dollar	6,860	4,878
Sterling	38,595	32,470
Swedish krona	2,285	4,581
Swiss franc	9,464	12,743
US dollar	102,515	109,894

At the year end date, if the value of Sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the shareholders will increase or decrease by approximately £18,764,000 (2021 - £19,639,400).

Liquidity risk

The primary source of this risk to the Fund is the liability to shareholders for any cancellation of shares. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the Collective Investment Schemes sourcebook.

Interest rate risk

Interest rate risk is the risk that the value of the Fund's investment holdings will fluctuate as a result of changes in interest rates.

Interest receivable on bank deposits positions will be affected by fluctuations in interest rates.

At the year end date 2.69% (2021 - 1.09%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

Floating rate financial assets and financial liabilities

Sterling denominated bank balances and bank overdrafts bear interest at rates based on the Sterling Overnight Index Average Rate. Foreign currency bank balances bear interest at rates based on the Sterling Overnight Index Average Rate or its international equivalent.

Fair value of financial assets and financial liabilities

There is no material difference between the value of the financial assets and liabilities, as shown in the balance sheet, and their fair value.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

Global risk exposure

Commitment approach

When using derivatives, the Authorised Corporate Director uses a risk management process that enables it to monitor the risk of a Fund's derivative positions. The global risk exposure of a Fund is calculated daily either by means of the commitment approach or the Value-at-Risk (VaR) approach.

Under the commitment approach, the global risk exposure is defined as the underlying market value of derivatives, after netting and hedging as permitted by the regulation, not exceeding the Net Asset Value of a Fund. This is typically used on Funds where derivative usage is low or Funds which limit their derivatives commitment to 100% or less of their Net Asset Value.

The global risk exposure of the Fund is calculated using the commitment approach. During the year/period ended 31 December 2022 the global risk exposure of the Fund did not exceed 100% of its Net Asset Value. The lowest, highest, average and actual level of leverage for the Fund as at the balance sheet date was as follows:

Leverage

	2022			Leverage 31 December	2021			Leverage 31 December
	Lowest	Highest	Average		Lowest	Highest	Average	
	0.00%	15.04%	0.31%	0.00%	0.00%	9.13%	0.35%	0.00%

14 Direct transaction costs

In the case of shares, broker commissions and transfer taxes/stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	169,052	31	182	169,265	0.02	0.11
Sales						
Equities	158,407	(32)	(23)	158,352	(0.02)	(0.01)
Total cost of the Fund's average net asset value (%)		0.02	0.08			

19.1.21 to 31.12.21	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	265,273	55	286	265,614	0.02	0.11
Sales						
Equities	63,852	(20)	(13)	63,819	(0.03)	(0.02)
Total cost of the Fund's average net asset value (%)		0.05	0.18			

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.08% (2021 – 0.10%).

This spread represents the difference between the values determined respectively by reference to the bid and offer prices of investments expressed as a percentage of the value determined by reference to the offer price.

Notes to the Accounts

For the year ended 31 December 2022 (continued)

15 Shares in issue reconciliation

	Number of shares in issue 31.12.21	Number of shares issued	Number of shares cancelled	Number of shares converted	Number of shares in issue 31.12.22
L Accumulation shares	15,903,418	16,972,164	(5,095,343)	(134,444)	27,645,795
L Income shares	44,513	3,628,693	(2,931,320)	-	741,886
S Accumulation shares	35,911,869	822,463	(4,284,064)	27,882	32,478,150
S Income shares	283,104,354	134,887,645	(73,103,269)	-	344,888,730
X Accumulation shares	53,250,699	-	(53,248,699)	-	2,000
X Income shares	2,000	93,562,874	(93,562,874)	-	2,000
Z Accumulation shares	2,059,635	11,232,586	(543,503)	106,475	12,855,193
Z Income shares	120,187	3,556,045	(301,232)	-	3,375,000

16 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 December 2022, the price of each share class has changed as follows:

	Dealing price 21.4.23	Dealing price 30.12.22	% change
L Accumulation shares	57.76p	54.24p	6.49
L Income shares	57.24p	53.79p	6.41
S Accumulation shares	58.14p	54.56p	6.56
S Income shares	57.20p	53.86p	6.20
X Accumulation shares	58.73p	55.02p	6.74
X Income shares	57.29p	53.99p	6.11
Z Accumulation shares	57.68p	54.18p	6.46
Z Income shares	57.11p	53.73p	6.29

Distribution Tables

Interim distribution for the six months ended 30 June 2022

Group 1 Shares purchased prior to 1 January 2022

Group 2 Shares purchased on or after 1 January 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution paid 31.8.22 per share	Distribution paid 31.8.21 per share
L Accumulation shares				
Group 1	0.3069p	-	0.3069p	0.1335p
Group 2	0.1138p	0.1931p	0.3069p	0.1335p
L Income shares				
Group 1	0.3061p	-	0.3061p	0.1322p
Group 2	0.0062p	0.2999p	0.3061p	0.1322p
S Accumulation shares				
Group 1	0.3759p	-	0.3759p	0.2205p
Group 2	0.2730p	0.1029p	0.3759p	0.2205p
S Income shares				
Group 1	0.3739p	-	0.3739p	0.1973p
Group 2	0.2449p	0.1290p	0.3739p	0.1973p
X Accumulation shares				
Group 1	0.5047p	-	0.5047p	0.3008p
Group 2	0.5047p	-	0.5047p	0.3008p
X Income shares				
Group 1	0.5053p	-	0.5053p	0.3085p
Group 2	0.4338p	0.0715p	0.5053p	0.3085p
Z Accumulation shares				
Group 1	0.2927p	-	0.2927p	0.1267p
Group 2	0.1120p	0.1807p	0.2927p	0.1267p
Z Income shares				
Group 1	0.3060p	-	0.3060p	0.1182p
Group 2	0.2615p	0.0445p	0.3060p	0.1182p

Final distribution for the six months ended 31 December 2022

Group 1 Shares purchased prior to 1 July 2022

Group 2 Shares purchased on or after 1 July 2022

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
L Accumulation shares				
Group 1	0.1127p	-	0.1127p	0.0206p
Group 2	0.0514p	0.0613p	0.1127p	0.0206p
L Income shares				
Group 1	0.0328p	-	0.0328p	0.0124p
Group 2	0.0052p	0.0276p	0.0328p	0.0124p
S Accumulation shares				
Group 1	0.1841p	-	0.1841p	0.0848p
Group 2	0.1075p	0.0766p	0.1841p	0.0848p

Distribution Tables

(continued)

	Net revenue 2022 per share	Equalisation 2022 per share	Distribution payable 28.2.23 per share	Distribution paid 28.2.22 per share
S Income shares				
Group 1	0.1826p	–	0.1826p	0.0847p
Group 2	0.0879p	0.0947p	0.1826p	0.0847p
X Accumulation shares				
Group 1	0.3105p	–	0.3105p	0.2213p
Group 2	0.3105p	–	0.3105p	0.2213p
X Income shares				
Group 1	0.3175p	–	0.3175p	0.2340p
Group 2	0.3175p	–	0.3175p	0.2340p
Z Accumulation shares				
Group 1	0.0960p	–	0.0960p	–
Group 2	0.0228p	0.0732p	0.0960p	–
Z Income shares				
Group 1	0.0943p	–	0.0943p	–
Group 2	0.0304p	0.0639p	0.0943p	–

Equalisation

Equalisation applies to shares purchased during the distribution period (Group 2 shares). It is the average amount of revenue included in the purchase price of Group 2 shares and is refunded to the holders of these shares as a return of capital.

Being capital it is not liable to income tax but must be deducted from the cost of shares for capital gains tax purposes.

Remuneration

UCITS remuneration disclosures for Schroder Unit Trusts Limited ('SUTL') for the year to 31 December 2022

These disclosures form part of the non-audited section of this annual report and accounts and should be read in conjunction with the Schroders plc Remuneration Report on pages 76 to 107 of the 2022 Annual Report & Accounts (available on the Group's website <https://www.schroders.com/en/investor-relations/results-and-reports/annual-report-and-accounts-2022/>), which provides more information on the activities of our Remuneration Committee and our remuneration principles and policies.

The UCITS Material Risk Takers ('UCITS MRTs') of SUTL are individuals whose roles within the Schroders Group can materially affect the risk of SUTL or any UCITS fund that it manages. These roles are identified in line with the requirements of the UCITS Directive and guidance issued by the European Securities and Markets Authority.

The Remuneration Committee of Schroders plc has established a remuneration policy to ensure the requirements of the UCITS Directive are met for all UCITS MRTs. The Remuneration Committee and the Board of Schroders plc review remuneration strategy at least annually. The directors of SUTL are responsible for the adoption of the remuneration policy and periodically reviewing its implementation in relation to SUTL. During 2022 the Remuneration Policy was reviewed to ensure compliance with the UCITS/AIFMD remuneration requirements and no significant changes were made.

The implementation of the remuneration policy is, at least annually, subject to independent internal review for compliance with the policies and procedures for remuneration adopted by the Board of SUTL and the Remuneration Committee. The most recent review found no fundamental issues but resulted in minor recommendations relating to process documentation.

The ratio of total costs to net income through the market cycle guides the total spend on remuneration each year. This is recommended by the Remuneration Committee to the Board of Schroders plc. This approach aligns remuneration with Schroders financial performance. In determining the remuneration spend each year, the underlying strength and sustainability of the business is taken into account, along with reports on risk, legal, compliance and internal audit matters from the heads of those areas.

The remuneration data that follows reflects amounts paid in respect of performance during 2022.

- The total amount of remuneration paid by SUTL to its staff was nil as SUTL has no employees. SUTL has two independent Non Executive Directors who receive fees in respect of their role on the Board of SUTL¹. Employees of other Schroders Group entities who serve as Directors of SUTL receive no additional fees in respect of their role on the Board of SUTL.
- The following disclosures relate to UCITS MRTs of SUTL. Most of those UCITS MRTs were employed by and provided services to other Schroders group companies and clients. In the interests of transparency, the aggregate remuneration figures that follow reflect the full remuneration for each SUTL UCITS MRT. The aggregate total remuneration paid to the 158 UCITS MRTs of SUTL in respect of the financial year ended 31 December 2022 is £113.41 million, of which £38.94 million was paid to senior management, and £74.47 million was paid to MRTs deemed to be taking risk on behalf of SUTL or the UCITS funds that it manages and Control Function MRTs.

For additional qualitative information on remuneration policies and practices see www.schroders.com/rem-disclosures.

1 The fees are not disclosed due to confidentiality and data protection considerations. The amount is not material to SUTL.

General Information

Authorised Corporate Director

Schroder Unit Trusts Limited
1 London Wall Place
London EC2Y 5AU
Authorised and regulated by the Financial Conduct Authority

Directors

J. Rainbow (Chairman)
P. Chislett
C. Minio Paluello (resigned 13 June 2022)
L. Morgan (appointed 7 June 2022)
A. O'Donoghue (appointed 7 September 2022)
S. Reedy
C. Thomson
P. Truscott
H. Williams

Investment Adviser

Schroder Investment Management Limited
1 London Wall Place
London EC2Y 5AU
Authorised and regulated by the Financial Conduct Authority
Schroder India Equity Fund
Schroder Investment Management (Singapore) Limited
138 Market Street
#23-01 CapitaGreen
Singapore 048946
Authorised to carry on investment business by the Monetary Authority of Singapore

Authorisation

The Company is an investment Company with variable capital under Regulation 12 of the OEIC Regulations, incorporated with limited liability in England and Wales and authorised by the Financial Conduct Authority under Regulation 14 of the OEIC Regulations. The Company is a UCITS scheme for the purpose of the categorisation of the Collective Investment Schemes sourcebook.

Value Assessment

A statement on the Assessment of Value is published on the Global Fund Centre in the Fund Literature section at www.Schroders.com within 4 months of the annual 'reference date' 31 December.

Other information

The Prospectus, the Key Investor Information Document and details of investment charges and costs are available on request or can be downloaded from our website www.schroders.com.

Depository

J.P. Morgan Europe Limited
Chaseside
Bournemouth BH7 7DA
Authorised and regulated by the Financial Conduct Authority

Registrar

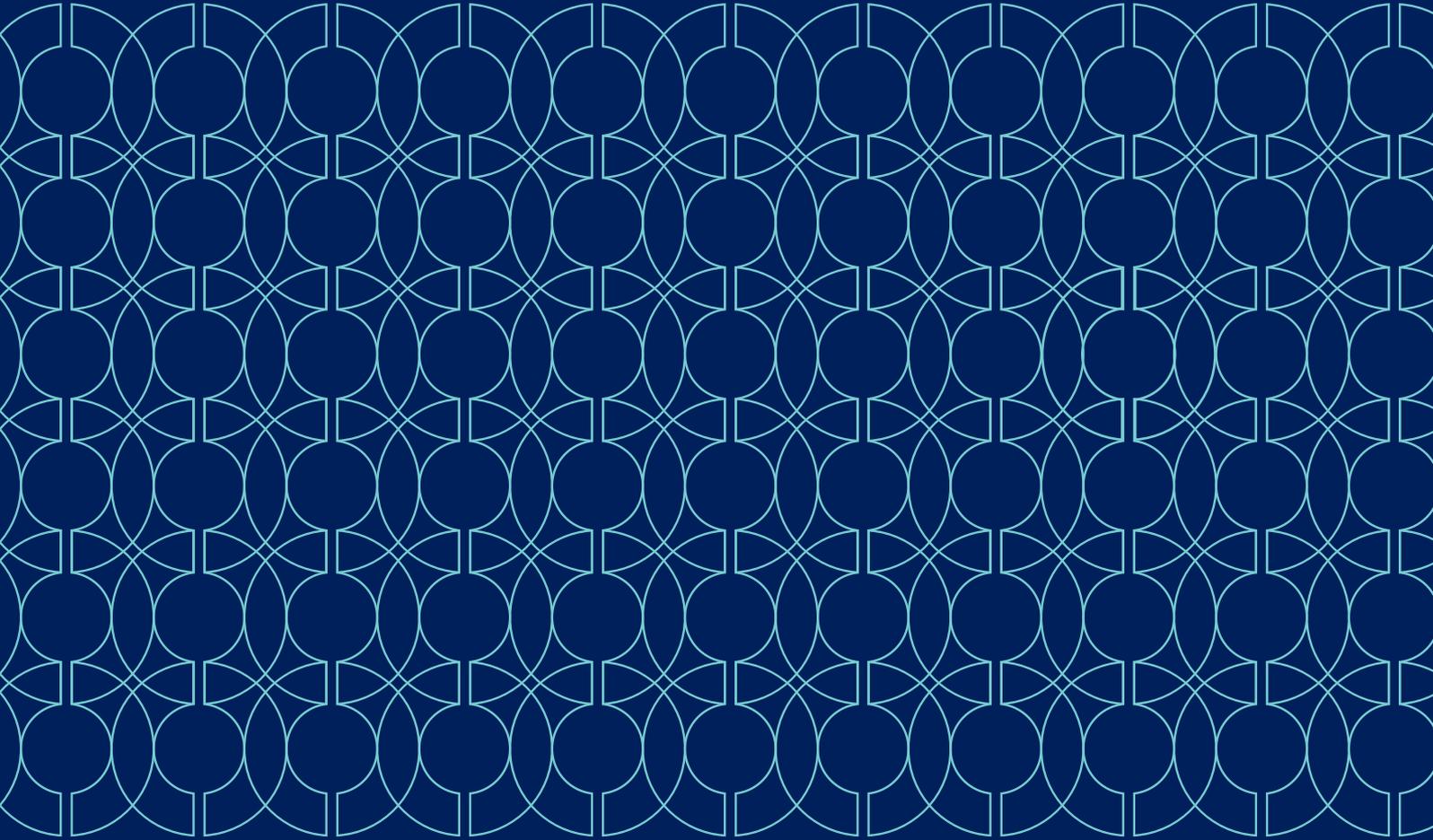
Schroder Unit Trust Limited
1 London Wall Place
London EC2Y 5AU
Authorised and regulated by the Financial Conduct Authority
The Authorised Corporate Director is responsible for maintaining the register for each Fund. It has delegated certain registrar functions to HSBC Bank Plc, 8 Canada Square, London, E14 8HQ.

Administration Details

Schroders Investor Services
PO BOX 1402
Sunderland
SR43 4AF

Independent Auditors

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX



EST. 1804

For further literature please contact Schroder Investor Services on 0800 182 2399 or schrodersinvestor@HSBC.com for Retail Clients, or 0345 030 7277 or schrodersinstitutional@HSBC.com for Institutional Clients, or visit our website at www.schroders.com.

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