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¹ Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

Schroder Strategic Bond Fund (the 'Fund') aims to provide income and capital growth of between 2.5% and 4.5% per annum (after fees have been deducted) over a three to five year period by investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide. 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 governments, government agencies, supra-national and corporate issuers worldwide.

The Fund may invest up to 40% of its assets in asset backed securities and mortgage backed securities.

The Fund may invest up to 50% of its assets in below investment grade securities as measured by Standard & Poor's or an equivalent credit rating agency, 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 section 6 of Appendix I of the Prospectus). The Fund may use leverage and take short positions.

Fund characteristics

The Fund's performance should be assessed against the income and capital growth target of between 2.5% and 4.5% per annum over a three to five year period, 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 benchmark has been selected because the Investment Manager and the Manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Total purchases and sales

	For the period to 15.12.22 £000's	For the year to 15.6.22 £000's
Total purchases	151,722	227,827
Total sales	131,536	160,282

Fund Performance

	Number of units in issue 15.12.22	Net asset value per unit 15.12.22	Net asset value per unit 15.6.22
A Accumulation units	4,280,471	70.68p	69.85p
A Income units	305,902	48.15p	49.12p
L Accumulation units	59,961,849	76.95p	75.81p
L Income units	29,080,032	52.08p	52.95p
S Accumulation units	11,749	50.54p	50.00p ¹
X Income (Quarterly) units	13,705,022	55.77p	56.56p
Z Accumulation units	103,694,950	75.38p	74.31p
Z Income units	32,124,019	51.49p	52.39p

¹ S Accumulation units launched on 7 September 2022.

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.

Review of Investment Activities

The Fund's performance should be assessed against the income and capital growth target of between 2.5% and 4.5% per annum over a three to five year period. From 15 June 2022 to 15 December 2022, the price of Z Accumulation units on a dealing price rose 1.35%.

The markets stayed volatile during the period and central banks continued to hike interest rates to curb rampant inflation, pushing yields higher as recession fears took hold. However, things started looking brighter towards the end of the period with investment grade and high yield credit spreads tightening, marking an outperformance over government bonds. Total returns in both US and European high yield were positive, performing better than their investment grade counterparts which both saw negative returns over the period.

Credit markets were re-charged in November/December with hopes for better returns. Yields were at extremely attractive levels and provided a much better offset against future volatility because of the income they are now able to generate. The strong one-month returns seen in European investment grade in July and the UK credit market in October may give some indication of the return potential when the opportunity arises to stage a recovery.

We added to headline duration over the period particularly in the US and UK as we see signs of inflation easing. We added exposure to financials, particularly senior banks based on the expectation that they will benefit from higher interest rates and a strong balance sheet. We also participated in selective attractively priced new issues allowing us to add exposure cheaply. Following strong performance in European high yield we have started to reduce exposure. The looming US recession makes us wary of US high yield. These factors combined have resulted in increasing exposure to investment grade credit where we see more relative value.

Overall, credit offers attractive yields, with the potential for a solid recovery and strong returns over the next year. The market is pricing considerable tightening, and a lot of bad economic news. Market dispersion has increased as good quality companies were impacted indiscriminately. Careful bond issuer selection will be important, particularly looking for issuers with cash flows rising with inflation, or whose business models are resilient to a slowdown.

Fund Manager:
Julien Houdain



Julien Houdain joined Schroders in 2019 as Deputy Head of the Credit team in Europe

Julien joined Schroders from Legal & General Investment Management, where he had been working since 2007, most recently as Head of global bond strategies

Prior to that, Julien held roles in quantitative investment strategy at Fortis Investments and quantitative research at Aurel Leven Securities. His investment career began in 2003

Julien holds a PhD in applied mathematics from Ecole Normale Supérieure, Paris. He also gained a Master of Research in applied mathematics at the University of Paris

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

Schroders' Global Fixed Income Team

Julien Houdain and Daniel Pearson are the Lead Portfolio Managers for Schroder Strategic Bond Fund and are supported by the full Schroders Global Fixed Income team, comprising over 100 investment professionals based around the world

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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.

Statement of the Manager's Responsibilities

The Financial Conduct Authority's Collective Investment Schemes sourcebook requires the Manager 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 Fund and of its net revenue and the net capital losses on the property of the Fund for the period. In preparing the accounts the Manager 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 Fund 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 Manager is responsible for the management of the Fund in accordance with its Trust Deed, the 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 Manager's report and accounts for the period ended 15 December 2022 were signed on 10 February 2023 on behalf of the Manager by:

P. Chislett
Directors

S. Reedy

Portfolio Statement

	Holding at 15.12.22	Market Value £000's	% of net assets
Corporate Bonds 76.93% (69.33%)			
Australia 0.46% (0.57%)			
QBE Insurance Group FRN 5.875% 17/06/2046	1,000,000	769	0.46
		769	0.46
Austria 0.29% (0.35%)			
UNIQA Insurance Group FRN 3.25% 09/10/2035	600,000	484	0.29
		484	0.29
Belgium 1.39% (0.00%)			
LSF XI Magpie Bidco 7.25% 30/06/2027	928,000	708	0.42
Argenta Spaarbank FRN 5.375% 29/11/2027	800,000	705	0.42
Aliaxis Finance 0.875% 08/11/2028	500,000	332	0.20
Argenta Spaarbank FRN 1.375% 08/02/2029	800,000	577	0.35
		2,322	1.39
Bermuda 0.09% (0.84%)			
Digicel 6.75% 01/03/2023	450,000	142	0.09
		142	0.09
Canada 0.00% (0.29%)			
Cayman Islands 0.33% (0.35%)			
Global Aircraft Leasing 6.5% 15/09/2024	788,156	553	0.33
		553	0.33
Chile 0.45% (0.54%)			
Agrosuper 4.6% 20/01/2032	1,061,000	752	0.45
		752	0.45
Czech Republic 0.73% (0.43%)			
EP Infrastructure 1.659% 26/04/2024	800,000	618	0.37
Raiffeisenbank FRN 1% 09/06/2028	900,000	600	0.36
		1,218	0.73
Denmark 0.48% (0.00%)			
Orsted 5.125% 13/09/2034	777,000	797	0.48
		797	0.48
Finland 0.11% (0.14%)			
PHM Group Holding 4.75% 18/06/2026	251,000	191	0.11
		191	0.11
France 7.59% (4.44%)			
Holding d'Infrastructures des Metiers de l'Environne- ment 0.125% 16/09/2025	700,000	541	0.32
ALD 4.75% 13/10/2025	1,000,000	886	0.53
Getlink 3.5% 30/10/2025	212,000	181	0.11
Arval Service Lease 4% 22/09/2026	500,000	440	0.26

	Holding at 15.12.22	Market Value £000's	% of net assets
Iliad Holding 6.5% 15/10/2026	249,000	195	0.12
Loxam 4.5% 15/02/2027	174,000	140	0.08
Arval Service Lease 4.75% 22/05/2027	1,000,000	896	0.54
Emeria 3.375% 31/03/2028	2,750,000	2,005	1.20
Holding d'Infrastructures des Metiers de l'Environne- ment 0.625% 16/09/2028	910,000	632	0.38
Iliad Holding 7% 15/10/2028	200,000	154	0.09
Engie 7% 30/10/2028	600,000	660	0.40
RCI Banque FRN 2.625% 18/02/2030	1,000,000	798	0.48
Bouygues 5.375% 30/06/2042	1,300,000	1,235	0.74
La Mondiale FRN 4.8% 18/01/2048	616,000	440	0.26
Societe Generale FRN 9.375% 31/12/2164	1,226,000	1,043	0.63
Electricite de France FRN 2.625% Perpetual	1,600,000	1,108	0.66
Korian FRN 4.125% Perpetual	700,000	529	0.32
Veolia Environnement FRN 2.25% Perpetual	1,000,000	785	0.47
		12,668	7.59
Germany 6.59% (5.04%)			
Tele Columbus 3.875% 02/05/2025	275,000	183	0.11
Peach Property Finance 4.375% 15/11/2025	494,000	320	0.19
Deutsche Bank FRN 4% 24/06/2026	1,300,000	1,224	0.73
Nidda Healthcare Holding 7.5% 21/08/2026	800,000	667	0.40
Gruenthal 3.625% 15/11/2026	374,000	302	0.18
Cheplapharm Arzneimittel 3.5% 11/02/2027	487,000	378	0.23
WEPA Hygieneprodukte 2.875% 15/12/2027	1,600,000	1,136	0.68
Cheplapharm Arzneimittel 5.5% 15/01/2028	1,223,000	861	0.52
Cheplapharm Arzneimittel 4.375% 15/01/2028	216,000	167	0.10
Fraport AG Frankfurt Airport Services Worldwide 1.875% 31/03/2028	1,743,000	1,323	0.79
Gruenthal 4.125% 15/05/2028	236,000	187	0.11
Ctec II 5.25% 15/02/2030	625,000	455	0.27
Deutsche Bank FRN 4% 24/06/2032	400,000	314	0.19
Allianz FRN 4.597% 07/09/2038	1,300,000	1,127	0.68
Deutsche Bank FRN 6.75% 31/12/2164	200,000	155	0.09
Deutsche Bank FRN 4.625% 31/12/2164	200,000	137	0.08

Portfolio Statement (continued)

	Holding at 15.12.22	Market Value £000's	% of net assets
Infineon Technologies FRN 2.875% Perpetual	2,500,000	2,059	1.24
		10,995	6.59
Greece 0.00% (0.52%)			
Guernsey 0.32% (0.65%)			
Villa Dutch Bidco 9% 03/11/2029	652,000	534	0.32
		534	0.32
Hong Kong 0.00% (0.39%)			
Ireland 1.50% (0.25%)			
AIB Group FRN 5.75% 16/02/2029	826,000	751	0.45
Permanent TSB Group Holdings FRN 3% 19/08/2031	493,000	347	0.21
Bank of Ireland Group FRN 7.594% 06/12/2032	1,391,000	1,406	0.84
		2,504	1.50
Israel 0.00% (0.76%)			
Italy 3.62% (1.60%)			
FCA Bank 4.25% 24/03/2024	1,430,000	1,255	0.75
Marcolin 6.125% 15/11/2026	2,450,000	1,837	1.10
Fiber Bidco 11% 25/10/2027	302,000	280	0.17
Autostrade per l'Italia 2% 04/12/2028	579,000	422	0.25
Aeroporti di Roma 1.625% 02/02/2029	127,000	92	0.06
Intesa Sanpaolo 8.505% 20/09/2032	1,308,000	1,339	0.80
Intesa Sanpaolo FRN 8.248% 21/11/2033	508,000	435	0.26
UnipolSai Assicurazioni FRN 6.375% Perpetual	479,000	380	0.23
		6,040	3.62
Jersey 2.74% (2.51%)			
Gatwick Funding 5.25% 23/01/2026	406,000	406	0.24
AA Bond 6.5% 31/01/2026	201,000	160	0.10
Galaxy Bidco 6.5% 31/07/2026	500,000	424	0.25
Kane Bidco 6.5% 15/02/2027	1,681,000	1,382	0.83
Galaxy Finco 9.25% 31/07/2027	637,000	509	0.31
Gatwick Funding 6.125% 02/03/2028	485,000	495	0.30
Gatwick Funding 2.5% 15/04/2032	496,000	407	0.24
AA Bond 6.269% 02/07/2043	100,000	95	0.06
AA Bond 4.875% 31/07/2043	388,000	369	0.22
AA Bond 3.25% 31/07/2050	171,000	130	0.08

	Holding at 15.12.22	Market Value £000's	% of net assets
Gatwick Funding 2.875% 05/07/2051	300,000	187	0.11
		4,564	2.74
Luxembourg 4.55% (5.46%)			
Trafigura Funding 5.25% 19/03/2023	318,000	256	0.15
Trafigura Funding 5.875% 23/09/2025	450,000	357	0.21
Garfunkelux Holdco 3 7.75% 01/11/2025	607,000	474	0.28
Cromwell Ereit Lux Finco REIT 2.125% 19/11/2025	648,000	450	0.27
P3 Group 0.875% 26/01/2026	565,000	408	0.25
Trafigura Funding 3.875% 02/02/2026	300,000	247	0.15
Kleopatra Finco 4.25% 01/03/2026	320,000	220	0.13
Albion Financing 1 5.25% 15/10/2026	1,172,000	913	0.55
Albion Financing 1 6.125% 15/10/2026	250,000	185	0.11
Cidron Aida Finco 6.25% 01/04/2028	487,000	395	0.24
Cidron Aida Finco 5% 01/04/2028	483,000	360	0.22
Herens Holdco 4.75% 15/05/2028	899,000	596	0.36
Logicor Financing 3.25% 13/11/2028	950,000	708	0.42
P3 Group 1.625% 26/01/2029	514,000	333	0.20
BK LC Lux Finco1 5.25% 30/04/2029	402,000	302	0.18
Herens Midco 5.25% 15/05/2029	550,000	331	0.20
Altice Financing 4.25% 15/08/2029	512,000	368	0.22
Altice Financing 5.75% 15/08/2029	200,000	137	0.08
CPI Property Group FRN 5.8% Perpetual	2,000,000	551	0.33
		7,591	4.55
Mexico 0.55% (1.20%)			
Total Play Telecomunica- ciones 7.5% 12/11/2025	400,000	288	0.17
Total Play Telecomunica- ciones 7.5% 12/11/2025	200,000	144	0.08
Electricidad Firme de Mexico Holdings 4.9% 20/11/2026	472,000	332	0.20
Total Play Telecomunica- ciones 6.375% 20/09/2028	250,000	161	0.10
		925	0.55
Netherlands 5.90% (7.17%)			
Wizz Air Finance 1.35% 19/01/2024	716,000	594	0.36
Schoeller Packaging 6.375% 01/11/2024	400,000	242	0.15

Portfolio Statement (continued)

	Holding at 15.12.22	Market Value £000's	% of net assets		Holding at 15.12.22	Market Value £000's	% of net assets
Enel Finance International 4.25% 15/06/2025	945,000	753	0.45	Banco de Sabadell FRN 2.625% 24/03/2026	300,000	247	0.15
IPD 3 5.5% 01/12/2025	369,000	307	0.18	Banco de Sabadell FRN 5.375% 08/09/2026	1,200,000	1,047	0.63
Wizz Air Finance 1% 19/01/2026	619,000	452	0.27	Banco de Credito Social Cooperativo FRN 8% 22/09/2026	900,000	794	0.48
Compact Bidco 5.75% 01/05/2026	200,000	119	0.07	Grifols 2.25% 15/11/2027	1,510,000	1,161	0.70
ING Groep FRN 2.125% 23/05/2026	1,000,000	835	0.50	Unicaja Banco FRN 7.25% 15/11/2027	1,200,000	1,060	0.63
Q-Park Holding I 2% 01/03/2027	400,000	298	0.18	Banco de Sabadell 5.375% 12/12/2028	1,000,000	869	0.52
IMCD 2.125% 31/03/2027	919,000	713	0.43	Cellnex Finance 1.25% 15/01/2029	1,000,000	710	0.42
EDP Finance 6.3% 11/10/2027	289,000	246	0.15	Unicaja Banco 4.875% 31/12/2164	800,000	510	0.31
ING Groep FRN 4.875% 14/11/2027	700,000	630	0.38			7,425	4.45
United Group 4% 15/11/2027	1,139,000	759	0.46				
United Group 4.625% 15/08/2028	151,000	100	0.06	Supranational 0.91% (1.13%)			
VIA Outlets 1.75% 15/11/2028	441,000	294	0.18	ATP Tower Holdings 4.05% 27/04/2026	700,000	499	0.30
ING Groep FRN 5.25% 14/11/2033	500,000	471	0.28	Ardagh Metal Packaging Finance USA 6% 15/06/2027	256,000	206	0.12
ASR Nederland FRN 7% 07/12/2043	474,000	428	0.26	Canpack 2.375% 01/11/2027	283,000	196	0.12
Enel Finance International 5.5% 15/06/2052	526,000	384	0.23	Allied Universal Holdco 4.875% 01/06/2028	784,000	621	0.37
de Volksbank FRN 7% 31/12/2164	1,400,000	1,109	0.66			1,522	0.91
Iberdrola International FRN 1.874% Perpetual	900,000	702	0.42				
Iberdrola International FRN 2.25% Perpetual	200,000	141	0.08	Sweden 0.56% (0.66%)			
Stichting AK Rabobank Certificaten, STEP 6.5% Perpetual	300,000	257	0.15	Heimstaden Bostad 1.125% 21/01/2026	935,000	685	0.41
		9,834	5.90	Heimstaden 4.25% 09/03/2026	400,000	245	0.15
						930	0.56
				Switzerland 1.60% (0.87%)			
Norway 0.18% (0.20%)				Raiffeisen Schweiz Genossenschaft 5.23% 01/11/2027	1,600,000	1,453	0.87
Explorer II 3.375% 24/02/2025	405,000	293	0.18	UBS Group FRN 4.875% 31/12/2164	666,000	473	0.28
		293	0.18	Aryzta FRN 6.486% Perpetual	365,000	258	0.16
				UBS Group FRN 3.875% Perpetual	686,000	479	0.29
Panama 0.00% (0.49%)						2,663	1.60
Poland 0.44% (0.56%)				Turkey 0.30% (0.35%)			
mBank FRN 0.966% 21/09/2027	1,100,000	737	0.44	Limak Iskenderun Uluslararası Liman İsletmeciliği 9.5% 10/07/2036	699,811	493	0.30
		737	0.44			493	0.30
				United Kingdom 20.38% (18.19%)			
Portugal 0.75% (0.41%)				Intermediate Capital Group 5% 24/03/2023	234,000	234	0.14
Caixa Geral de Depositos FRN 5.75% 31/10/2028	900,000	806	0.48	Saga 3.375% 12/05/2024	209,000	187	0.11
Cia de Seguros Fidelidade FRN 4.25% 04/09/2031	300,000	214	0.13	Energia Group NI FinanceCo 4.75% 15/09/2024	350,000	324	0.19
Novo Banco 0% 03/04/2048	1,000,000	233	0.14				
		1,253	0.75				
Spain 4.45% (2.12%)							
Ibercaja Banco 3.75% 15/06/2025	1,200,000	1,027	0.61				

Portfolio Statement (continued)

	Holding at 15.12.22	Market Value £000's	% of net assets		Holding at 15.12.22	Market Value £000's	% of net assets
TalkTalk Telecom Group 3.875% 20/02/2025	2,328,000	1,827	1.10	National Grid Electricity Distribution East Midlands 3.53% 20/09/2028	183,000	159	0.10
Virgin Money UK FRN 2.875% 24/06/2025	600,000	502	0.30	InterContinental Hotels Group 3.375% 08/10/2028	681,000	599	0.36
Metro Bank FRN 9.5% 08/10/2025	100,000	77	0.05	RI Finance Bonds No. 3 6.125% 13/11/2028	354,000	350	0.21
eG Global Finance 8.5% 30/10/2025	300,000	233	0.14	BCP V Modular Services Finance II 4.75% 30/11/2028	550,000	405	0.24
Co-Operative Bank Finance FRN 9% 27/11/2025	750,000	737	0.44	BCP V Modular Services Finance II 6.125% 30/11/2028	133,000	112	0.07
Jerrold Finco 4.875% 15/01/2026	100,000	86	0.05	Mitchells & Butlers Finance FRN 3.742% 15/12/2028	129,932	117	0.07
Virgin Money UK FRN 3.375% 24/04/2026	392,000	364	0.22	Vmed O2 UK Financing I 4% 31/01/2029	400,000	321	0.19
TP ICAP Finance 5.25% 29/05/2026	158,000	147	0.09	Student Finance 2.666% 30/09/2029	160,000	152	0.09
Tritax EuroBox 0.95% 02/06/2026	209,000	149	0.09	British Telecommunica- tions 3.25% 08/11/2029	689,000	489	0.29
Punch Finance 6.125% 30/06/2026	278,000	235	0.14	Liberty Living Finance 3.375% 28/11/2029	500,000	419	0.25
Informa 3.125% 05/07/2026	974,000	889	0.53	Virgin Media Secured Finance 4.25% 15/01/2030	1,046,000	833	0.50
Saga 5.5% 15/07/2026	668,000	490	0.29	Intermediate Capital Group 2.5% 28/01/2030	1,100,000	697	0.42
Barclays FRN 5.304% 09/08/2026	475,000	385	0.23	Pearson Funding 3.75% 04/06/2030	500,000	453	0.27
Lloyds Banking Group FRN 4.716% 11/08/2026	496,000	399	0.24	Grainger 3% 03/07/2030	520,000	402	0.24
PeopleCert Wisdom Issuer 5.75% 15/09/2026	902,000	739	0.44	Virgin Money UK FRN 5.125% 11/12/2030	227,000	212	0.13
NatWest Group FRN 2.875% 19/09/2026	650,000	601	0.36	Mitchells & Butlers Finance 5.574% 15/12/2030	129,443	126	0.08
Barclays FRN 7.325% 02/11/2026	811,000	690	0.41	Mitchells & Butlers Finance FRN 5.219% 15/12/2030	317,817	239	0.14
HSBC Holdings FRN 7.336% 03/11/2026	1,192,000	1,026	0.62	Sage Group 1.625% 25/02/2031	669,000	513	0.31
SIG 5.25% 30/11/2026	650,000	471	0.28	Whitbread Group 3% 31/05/2031	739,000	577	0.35
Jerrold Finco 5.25% 15/01/2027	654,000	546	0.33	Berkeley Group 2.5% 11/08/2031	366,000	251	0.15
Intermediate Capital Group 1.625% 17/02/2027	931,000	675	0.40	Phoenix Group Holdings FRN 4.75% 04/09/2031	1,510,000	1,137	0.68
Co-Operative Bank Finance FRN 6% 06/04/2027	750,000	669	0.40	Close Brothers Group FRN 2% 11/09/2031	314,000	263	0.16
SP Manweb 4.875% 20/09/2027	346,000	347	0.21	Greene King Finance 5.318% 15/09/2031	116,238	109	0.07
NatWest Markets 6.375% 08/11/2027	701,000	729	0.44	NatWest Group FRN 2.105% 28/11/2031	528,000	443	0.27
Pinewood Finance 3.625% 15/11/2027	1,227,000	1,087	0.65	Investec FRN 2.625% 04/01/2032	792,000	625	0.37
Nationwide Building Society FRN 6.178% 07/12/2027	1,134,000	1,152	0.69	National Grid Electricity Distribution East Midlands 3.949% 20/09/2032	263,000	233	0.14
Atlantica Sustainable Infrastructure 4.125% 15/06/2028	600,000	438	0.26	NatWest Group FRN 7.416% 06/06/2033	693,000	711	0.43
Metro Bank FRN 5.5% 26/06/2028	163,000	90	0.05	Lloyds Banking Group FRN 4.976% 11/08/2033	456,000	353	0.21
Investec Bank FRN 4.25% 24/07/2028	100,000	99	0.06	Barclays FRN 5.262% 29/01/2034	532,000	475	0.28
HSBC Holdings FRN 5.21% 11/08/2028	468,000	374	0.22				

Portfolio Statement (continued)

	Holding at 15.12.22	Market Value £000's	% of net assets		Holding at 15.12.22	Market Value £000's	% of net assets
Greene King Finance 5.106% 15/03/2034	163,749	145	0.09	Frontier Communications Holdings 5% 01/05/2028	412,000	302	0.18
Severn Trent Utilities Finance 4.625% 30/11/2034	230,000	224	0.13	Consolidated Communications 6.5% 01/10/2028	1,791,000	1,217	0.73
Greene King Finance FRN 4.847% 15/12/2034	120,000	92	0.06	Cloud Software Group Holdings 6.5% 31/03/2029	2,333,000	1,642	0.98
Greene King Finance 3.593% 15/03/2035	186,300	157	0.09	Gap 3.625% 01/10/2029	44,000	28	0.02
Manchester Airport Group Funding 2.875% 30/09/2044	240,000	160	0.10	180 Medical 3.875% 15/10/2029	200,000	142	0.08
RL Finance Bonds No. 4 FRN 4.875% 07/10/2049	307,000	247	0.15	MPT Operating Partnership REIT 3.375% 24/04/2030	230,000	154	0.09
Channel Link Enterprises Finance FRN 2.706% 30/06/2050	400,000	317	0.19	Frontier Communications Holdings 8.75% 15/05/2030	550,000	461	0.28
abrdn FRN 5.25% 31/12/2164	200,000	159	0.10	Citigroup FRN 4.91% 24/05/2033	1,293,000	1,027	0.62
Just Group FRN 5% 31/12/2164	200,000	142	0.09	Morgan Stanley FRN 5.789% 18/11/2033	692,000	715	0.43
OSB Group FRN 6% 31/12/2164	313,000	235	0.14	Morgan Stanley FRN 5.148% 25/01/2034	649,000	610	0.37
BUPA Finance FRN 4% Perpetual	954,000	653	0.39	Global Payments 5.95% 15/08/2052	856,000	680	0.41
HSBC Holdings FRN 4.6% Perpetual	256,000	166	0.10	JPMorgan Chase FRN 3.65% 31/12/2164	2,187,000	1,554	0.93
HSBC Holdings FRN 6.375% Perpetual	400,000	312	0.19	AT&T FRN 2.875% Perpetual	100,000	79	0.05
Investec FRN 6.75% Perpetual	796,000	721	0.43			16,137	9.67
National Express Group FRN 4.25% Perpetual	1,000,000	825	0.49	Corporate Bonds total		128,326	76.93
Nationwide Building Society FRN 5.75% Perpetual	731,000	662	0.40	Collective Investment Schemes 8.34% (8.49%)			
		33,990	20.38	European Fixed Interest Funds 8.34% (8.49%)			
				Schroder ISF Sustainable EURO Credit - Class I Accumulation EUR [†]	165,723	13,910	8.34
						13,910	8.34
				Collective Investment Schemes total		13,910	8.34
				Government Bonds 8.07% (18.45%)			
				Mexico 0.00% (1.45%)			
				United Kingdom 8.07% (14.31%)			
				UK Treasury 0.75% 22/07/2023	6,907,664	6,812	4.08
				UK Treasury 0.125% 31/01/2024	3,000,000	2,892	1.73
				UK Treasury 1.25% 31/07/2051	6,514,043	3,765	2.26
						13,469	8.07
				United States of America 0.00% (2.69%)			
				Government Bonds total		13,469	8.07
				Forward Foreign Currency Contracts 1.32% ((1.99)%)			
				Buy EUR 5,614,976 Sell GBP 4,832,342 27/01/2023		21	0.01
				Buy EUR 1,617,501 Sell GBP 1,402,555 27/01/2023		(4)	0.00
				Buy EUR 226,074 Sell GBP 195,488 27/02/2023		0	0.00
				Buy USD 1,260,735 Sell GBP 1,014,238 27/01/2023		9	0.01

Portfolio Statement (continued)

	Holding at 15.12.22	Market Value £000's	% of net assets		Holding at 15.12.22	Market Value £000's	% of net assets
Buy USD 7,981,155				Credit Default Swap BNP			
Sell GBP 6,550,529 27/01/2023		(76)	(0.05)	Paribas Buy Lanxess 1%	1,000,000	33	0.02
Buy USD 193,452				07/10/2026 20/12/2027			
Sell GBP 159,448 27/02/2023		(3)	0.00	Credit Default Swap J.P.			
Sell CHF 342,144				Morgan Sell British Tele-			
Buy GBP 305,172 27/02/2023		4	0.00	communications 5.75%	750,000	5	0.00
Sell EUR 72,430,996				07/12/2028 20/12/2024			
Buy GBP 63,065,523 27/01/2023		456	0.27	Credit Default Swap			
Sell EUR 4,163,926				Citigroup Sell Tesco 6.125%	344,828	2	0.00
Buy GBP 3,589,929 27/01/2023		(9)	0.00	24/02/2022 20/12/2024			
Sell EUR 18,270,417				Credit Default Swap			
Buy GBP 15,927,839 27/02/2023		111	0.07	Goldman Sachs Sell			
Sell SGD 1,097,020				Tesco 6.125% 24/02/2022	476,190	3	0.00
Buy GBP 671,054 27/02/2023		14	0.01	20/12/2024			
Sell USD 40,446,448				Credit Default Swap			
Buy GBP 34,248,796 27/01/2023		1,436	0.86	Barclays Sell ADLER Real			
Sell USD 555,000				Estate 1.5% 06/12/2021	330,000	(70)	(0.04)
Buy GBP 446,237 27/01/2023		(4)	0.00	20/12/2025			
Sell USD 7,135,934				Credit Default Swap			
Buy GBP 6,025,317 27/02/2023		241	0.14	Goldman Sachs Sell			
Forward Foreign Currency Contracts				AT&T 3.8% 15/02/2027	570,000	1	0.00
total		2,196	1.32	20/12/2025			
Convertible Bonds 0.88% (1.35%)				Credit Default Swap			
Austria 0.88% (1.09%)				Barclays Sell Anglo			
ams-OSRAM 0%				American Capital 4.125%	750,000	75	0.04
05/03/2025	1,200,000	787	0.47	15/04/2021 20/12/2025			
ams-OSRAM 2.13%				Credit Default Swap BNP			
03/11/2027	1,100,000	673	0.41	Paribas Sell NEXT 5.375%	220,000	(2)	0.00
		1,460	0.88	26/10/2021 20/12/2025			
Germany 0.00% (0.18%)				Credit Default Swap Credit			
Luxembourg 0.00% (0.08%)				Suisse Sell NEXT 5.375%	600,000	(5)	0.00
Convertible Bonds total		1,460	0.88	26/10/2021 20/12/2025			
Futures 0.13% ((0.69)%)				Credit Default Swap			
Euro-Bobl March 2023	(63)	(76)	(0.05)	BNP Paribas Sell Altice			
Euro-Bund March 2023	92	114	0.07	France 5.875% 01/02/2027	665,000	(18)	(0.01)
Euro-buxl 30 Year Bond				20/12/2025			
March 2023	(72)	(481)	(0.29)	Credit Default Swap BNP			
Japan 10 Year Bond March				Paribas Sell Tesco 6.125%	283,000	1	0.00
2023	(4)	(7)	0.00	24/02/2022 20/12/2025			
Long Gilt March 2023	12	16	0.01	Credit Default Swap BNP			
US 2 Year Note March 2023	297	277	0.17	Paribas Sell TUI Group 5%	222,727	(28)	(0.02)
US 5 Year Note March 2023	34	39	0.02	16/04/2028 20/06/2026			
US 10 Year Note March				Credit Default Swap J.P.			
2023	226	352	0.21	Morgan Sell TUI Group 5%	127,273	(16)	(0.01)
US 10 Year Ultra Bond				16/04/2028 20/06/2026			
March 2023	(26)	(17)	(0.01)	Credit Default Swap			
US Long Bond March 2023	12	17	0.01	J.P. Morgan Sell CMA			
US Ultra Bond March 2023	(7)	(14)	(0.01)	CGM 6.5% 15/07/2022	500,000	22	0.01
Futures total		220	0.13	20/06/2026			
Swaps (0.07)% ((0.32)%)				Credit Default Swap			
Credit Default Swap				Barclays Sell CMA			
Barclays Buy Republic of				CGM 7.5% 15/01/2026	400,000	18	0.01
Korea 2.75% 19/01/2027				20/06/2026			
20/12/2026	753,498	(14)	(0.01)	Credit Default Swap			
Credit Default Swap BNP				J.P. Morgan Sell CMA			
Paribas Buy Republic of				CGM 7.5% 15/01/2026	250,000	10	0.01
Korea 2.75% 19/01/2027				20/12/2026			
20/12/2026	1,506,997	(28)	(0.02)	Credit Default Swap Merrill			
				Lynch Sell Volkswagen			
				0.875% 16/01/2023	800,000	(9)	(0.01)
				20/06/2027			
				Credit Default Swap			
				Barclays Sell Faurecia			
				3.125% 15/06/2026	320,000	10	0.01
				20/06/2027			

Portfolio Statement (continued)

	Holding at 15.12.22	Market Value £000's	% of net assets		Holding at 15.12.22	Market Value £000's	% of net assets
Credit Default Swap BNP Paribas Sell Faurecia 3.125% 15/06/2026 20/06/2027	480,000	15	0.01	Credit Default Swap Morgan Stanley Sell AT&T 3.8% 15/02/2027 20/12/2027	1,213,000	(3)	0.00
Credit Default Swap Citigroup Sell NEXT 3.625% 18/05/2028 20/06/2027	1,150,000	(33)	(0.01)	Credit Default Swap BNP Paribas Sell Verizon Communications 4.125% 16/03/2027 20/12/2027	1,150,000	(3)	0.00
Credit Default Swap Credit Suisse Sell TUI 5% 16/04/2028 20/06/2027	500,000	(74)	(0.05)	Credit Default Swap Morgan Stanley Sell Verizon Communications 4.125% 16/03/2027 20/12/2027	1,150,000	(3)	0.00
Credit Default Swap Merrill Lynch Sell NEXT 3.625% 18/05/2028 20/12/2027	178,571	(6)	0.00	Swaps total		(117)	(0.07)
				Portfolio of investments		159,464	95.60
				Net other assets		7,346	4.40
				Net assets attributable to unitholders		166,810	100.00

The comparative percentage figures in brackets are as at 15 June 2022.

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.

Statement of Total Return (unaudited)

For the six months ended 15 December 2022

	15.12.22		15.12.21	
	£000's	£000's	£000's	£000's
Income				
Net capital losses		(1,755)		(1,205)
Revenue	4,739		1,836	
Expenses	(466)		(349)	
Net revenue before taxation	4,273		1,487	
Taxation	(4)		(46)	
Net revenue after taxation		4,269		1,441
Total return before distributions		2,514		236
Distributions		(4,723)		(1,785)
Change in net assets attributable to unitholders from investment activities		(2,209)		(1,549)

Statement of Change in Net Assets Attributable to Unitholders (unaudited)

For the six months ended 15 December 2022

	15.12.22		15.12.21	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		140,751 [^]		90,582
Amounts receivable on issue of units	57,847		48,431	
Amounts payable on cancellation of units	(33,621)		(7,548)	
		24,226		40,883
Dilution adjustment		74		61
Change in net assets attributable to unitholders from investment activities		(2,209)		(1,549)
Retained distribution on Accumulation units		3,968		1,590
Closing net assets attributable to unitholders		166,810		131,567[^]

[^] The opening net assets attributable to unitholders for the current period do not equal the closing net assets attributable to unitholders for the comparative period as they are not consecutive periods.

Balance Sheet (unaudited)

As at 15 December 2022

	15.12.22	15.6.22
	£000's	£000's
Assets		
Investments	160,467	140,633
Current assets		
Debtors	3,620	3,148
Cash and bank balances	7,991	7,053
Total assets	172,078	150,834
Liabilities		
Investment liabilities	(1,003)	(7,454)
Creditors		
Bank overdrafts	(842)	(447)
Distributions payable	(1,152)	(883)
Other creditors	(2,271)	(1,299)
Total liabilities	(5,268)	(10,083)
Net assets attributable to unitholders	166,810	140,751

Notes to the Accounts (unaudited)

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 accounts have been prepared on a going concern basis.

The accounting policies applied are consistent with those of the annual accounts for the year ended 15 June 2022 and are described in those annual accounts.

Securities Financing Transactions

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 six months ended 15 December 2022.

General Information

Manager

Schroder Unit Trusts Limited
1 London Wall Place
London EC2Y 5AU
Authorised and regulated by the Financial Conduct Authority

Investment Adviser

Schroder Investment Management Limited
1 London Wall Place
London EC2Y 5AU
Authorised and regulated by the Financial Conduct Authority

Trustee

J.P. Morgan Europe Limited
Chaseside
Bournemouth BH7 7DA
Authorised by the Prudential Regulation Authority and regulated
by the Financial Conduct Authority and Prudential Regulation Authority

Registrar

Schroder Unit Trusts Limited
1 London Wall Place
London EC2Y 5AU
Authorised and regulated by the Financial Conduct Authority
The Manager 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

Authorisation

The Fund is an authorised unit trust and is constituted pursuant to the Collective Investment Schemes sourcebook and is structured as a Trust. The Fund is a UCITS scheme for the purpose of the categorisation of the Collective Investment Schemes sourcebook.

Initial management charge

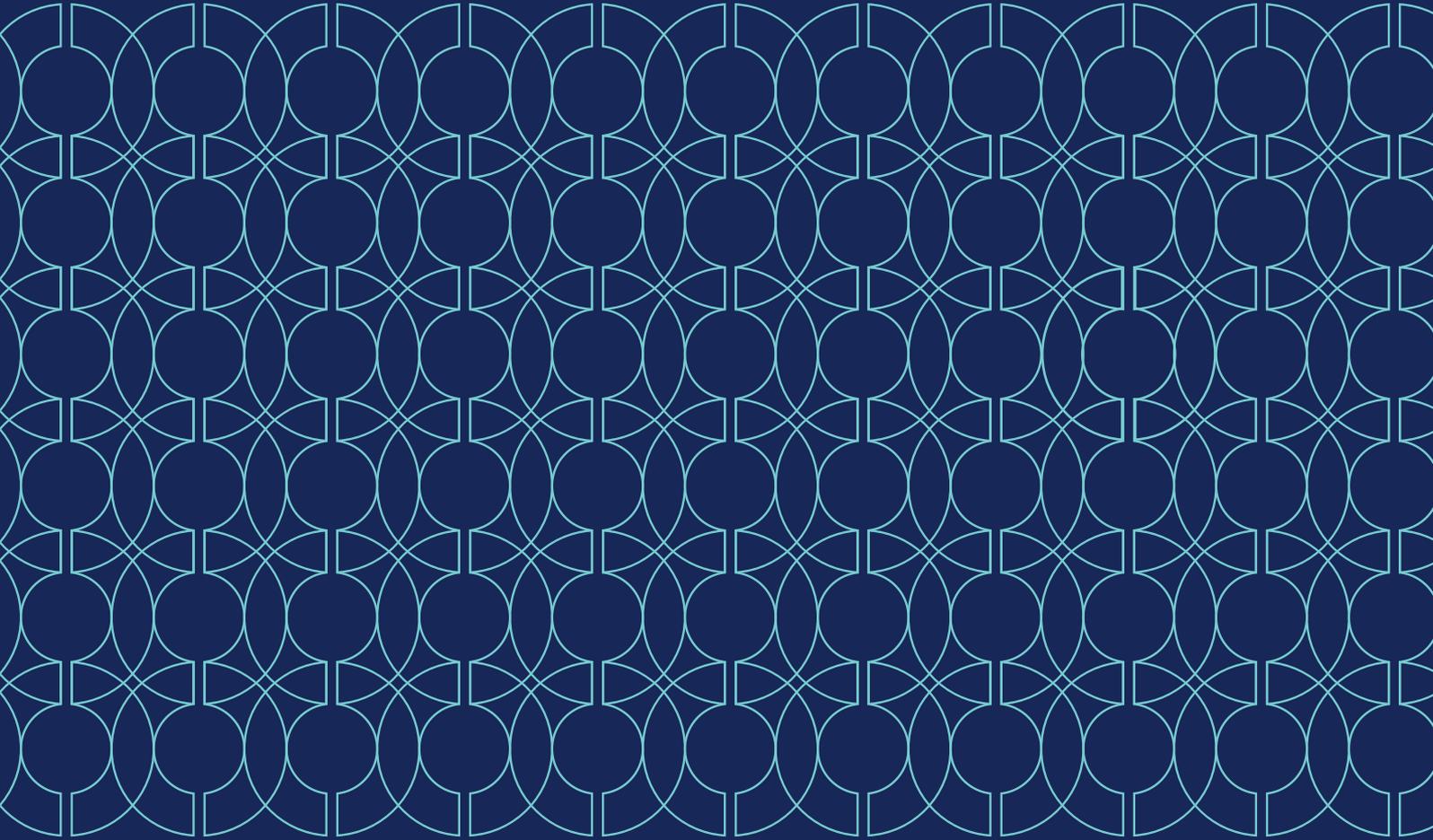
The issue price of X Income (Quarterly) units reflects an initial management charge of 10% of the dealing price. This is retained by the Manager.

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.



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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