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1 Collectively these comprise the Manager’s report.

# Fund Information

## Investment objective and policy

Schroder Recovery Fund (the 'Fund') aims to provide 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 that have suffered a severe setback in either share price or profitability.

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.

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, 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 2 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 MSCI UK Value (Gross Total Return) Index and the Investment Association UK All Companies 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 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

**From 14 July 2023 to 15 July 2024, the price of Z Accumulation units on a dealing price basis rose by 16.81%. In the same period, the FTSE<sup>1</sup> All Share Index generated a total return of 15.01%<sup>2</sup>.**

UK equities rose over the period and the Fund outperformed the FTSE All-Share index. Our positions in UK banks NatWest and Barclays performed well. The prospect of robust shareholder returns – in the form of dividends and/or share buybacks – has been a key attraction of banking stocks. In the last three years, NatWest has done everything that we could have hoped for operationally. Pre-tax profits have grown from £4 billion to £6 billion, return on equity has increased, the cost-income ratio has decreased, the only thing that has been lacking is an improvement in the share price. If we aggregate the dividends and the buybacks, over the past three years NatWest has distributed £12.5 billion to shareholders. This is equal to half its current market capitalisation! Construction group Kier also performed very well on news that its year-end net cash position had significantly improved, and it would be resuming dividend payments in 2024.

Several of our UK domestically focused holdings rebounded strongly too, including food and clothes retailer Marks & Spencer and housebuilder Taylor Wimpey. Engineering group Hunting performed well following news of a record \$145 million order, which led management to signal earnings would be towards the top end of guidance at the time. On the negative side, detractors included provider of services to the global energy industry Petrofac and outsourcing specialist Capita, which reported a loss for the year. Capita aims to achieve significant cost savings and benefits from a much-improved balance sheet, thereby reducing risk. Specialist lender Vanquis Banking Group and iron ore pellets producer Ferrexpo also detracted. New positions included specialist engineering business Dowlais Group and UK wealth manager St James's Place.

We are not alone in recognising undervalued companies in the UK. The equity market here has seen bid activity reach its highest levels since 2018. UK companies are also taking advantage of their relatively low valuations by increasing share buybacks. The strong operational performance of many businesses in the UK is getting harder and harder for investors to ignore.

The co-management of the Fund transferred from Kevin Murphy to Nick Kirrage in June 2024. Nick co-managed the Schroder Recovery Fund alongside Kevin for 16 years, between 2006 and 2022. Nick is returning to co-manage the Schroder Recovery Fund alongside Andrew Lyddon.

**Co-head of Schroder Global Value Team:  
Nick Kirrage**



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

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

CFA Charterholder

Degree in Aeronautical Engineering, Bristol University

**Fund Manager:  
Andrew Lyddon**



Co-manager of 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

CFA Charter Holder

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

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<sup>2</sup> Source: LSEG Workspace.

**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/en-gb/uk/individual/fund-centre/#/fund/search/filter](http://www.schroders.com/en-gb/uk/individual/fund-centre/#/fund/search/filter).

# Statement of the Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual accounting period which give a true and fair view of the financial position of the Fund and of the net revenue and the net capital gains on the property of the Fund for the year.

In preparing the financial statements the Manager is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgements and estimates that are reasonable and prudent;
- following UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland;
- complying with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014;
- keeping proper accounting records which enable it to demonstrate that the financial statements as prepared comply with the above requirements;
- assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern;
- using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so;
- 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; and
- taking reasonable steps for the prevention and detection of fraud and irregularities.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the COLL Rules.

The Manager is responsible for the maintenance and integrity of the corporate and financial information included on its website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**S. Reedy**

Directors

16 October 2024

**A. O'Donoghue**

# Report of the Trustee

## **Statement of the Trustee's responsibilities in respect of the Scheme and report of the Trustee to the unitholders of the Schroder Recovery Fund ('the Fund') for the year ended 15 July 2024.**

The Trustee of the Schroder Recovery Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together 'the regulations'), the Trust Deed and Prospectus (together 'the Scheme documents') as detailed below.

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

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

The Trustee must ensure that:

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

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

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

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the regulations and the Scheme documents of the Fund; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Fund in accordance with the regulations and the Scheme documents of the Fund.

## **J.P. Morgan Europe Limited**

Trustee  
Bournemouth  
31 July 2024

# Independent Auditor's Report to the Unitholders of Schroder Recovery Fund

## Opinion

We have audited the financial statements of Schroder Recovery Fund (the 'Fund') for the year ended 15 July 2024 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Table for the Fund and the accounting policies set out on page 16.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Fund as at 15 July 2024 and of the net revenue and the net capital gains on the property of the Fund for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Fund in accordance with, UK ethical requirements including the FRC Ethical Standard.

We have received all the information and explanations which we consider necessary for the purposes of our audit and we believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## Going concern

The Manager has prepared the financial statements on the going concern basis as they do not intend to liquidate the Fund or to cease their operations, and as they have concluded that the Fund's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Manager's conclusions, we considered the inherent risks to the Fund's business model and analysed how those risks might affect the Fund's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Manager's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Fund will continue in operation.

## Fraud and breaches of laws and regulations – ability to detect

### Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of Directors as to the Fund's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud;
- Assessing the segregation of duties in place between the Manager, the Trustee, the Administrator and the Investment Adviser; and
- Reading board minutes.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the revenue is principally non-judgemental and based on publicly available information, with limited opportunity for manipulation. We did not identify any additional fraud risks.

We evaluated the design and implementation of the controls over journal entries and other adjustments and made inquiries of the Administrator about inappropriate or unusual activity relating to the processing of journal entries and other adjustments. We identified and selected a sample of journal entries made at the end of the reporting period and tested those substantively including all material post-closing entries. Based on the results of our risk assessment procedures and understanding of the process, including the segregation of duties between the Directors and the Administrator, no further high-risk journal entries or other adjustments were identified.

### Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the Manager and the Administrator (as required by auditing standards) and discussed with the Directors the policies and procedures regarding compliance with laws and regulations.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Fund is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related authorised fund legislation maintained by the Financial Conduct Authority) and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.



# Independent Auditor's Report to the Unitholders of Schroder Recovery Fund (continued)

Secondly, the Fund is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: money laundering, data protection and bribery and corruption legislation recognising the Fund's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and the Administrator and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

## Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

## Other information

The Manager is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information; and
- in our opinion the information given in the Manager's Report for the financial year is consistent with the financial statements.

## Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where under the COLL Rules we are required to report to you if, in our opinion:

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

## Manager's responsibilities

As explained more fully in its statement set out on page 6, the Manager is responsible for: the preparation of financial statements that give a true and fair view; 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; assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

## Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Fund's unitholders, as a body, in accordance with Rule 4.5.12 of the Collective Investment Schemes sourcebook ('the COLL Rules') issued by the Financial Conduct Authority under section 247 of the Financial Services and Markets Act 2000. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

### Grant Archer

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

319 St Vincent Street

Glasgow

G2 5AS

16 October 2024

# Comparative Table

Financial year to 15 July	A Accumulation units			A Income units		
	2024 pence per unit	2023 pence per unit	2022 pence per unit	2024 pence per unit	2023 pence per unit	2022 pence per unit
<b>Change in net asset value</b>						
Opening net asset value	25,175.00	23,362.28	22,512.03	12,783.40	12,179.39	12,018.61
Return before operating charges*	4,466.00	2,221.57	1,251.38	2,265.63	1,162.81	668.02
Operating charges	(438.70)	(408.85)	(401.13)	(222.58)	(213.42)	(214.07)
<b>Return after operating charges*</b>	<b>4,027.30</b>	<b>1,812.72</b>	<b>850.25</b>	<b>2,043.05</b>	<b>949.39</b>	<b>453.95</b>
Distributions**	(698.61)	(662.43)	(549.34)	(354.78)	(345.38)	(293.17)
Retained distributions**	698.61	662.43	549.34	-	-	-
<b>Closing net asset value</b>	<b>29,202.30</b>	<b>25,175.00</b>	<b>23,362.28</b>	<b>14,471.67</b>	<b>12,783.40</b>	<b>12,179.39</b>
*after direct transaction costs of	(18.76)	(23.71)	(24.44)	(9.52)	(12.37)	(13.05)
<b>Performance</b>						
Return after charges (%)	16.00	7.76	3.78	15.98	7.80	3.78
<b>Other information</b>						
Closing net asset value (£000's)	17,259	22,648	27,332	951	1,265	1,515
Closing number of units	59,103	89,961	116,990	6,573	9,896	12,438
Operating charges (%)	1.66	1.64	1.64	1.66	1.64	1.64
Direct transaction costs (%)***	0.07	0.10	0.10	0.07	0.10	0.10
<b>Prices</b>						
Highest dealing price	29,620.00p	27,820.00p	26,490.00p	15,040.00p	14,510.00p	14,140.00p
Lowest dealing price	24,100.00p	21,900.00p	21,720.00p	12,240.00p	11,420.00p	11,590.00p

# Comparative Table

## (continued)

Financial year to 15 July	L Accumulation units			L Income units		
	2024 pence per unit	2023 pence per unit	2022 pence per unit	2024 pence per unit	2023 pence per unit	2022 pence per unit
<b>Change in net asset value</b>						
Opening net asset value	85.75	78.93	75.44	65.82	62.71	61.91
Return before operating charges*	15.30	7.52	4.16	11.73	5.81	3.42
Operating charges	(0.76)	(0.70)	(0.67)	(0.58)	(0.36)	(0.55)
<b>Return after operating charges*</b>	<b>14.54</b>	<b>6.82</b>	<b>3.49</b>	<b>11.15</b>	<b>5.45</b>	<b>2.87</b>
Distributions**	(3.14)	(2.94)	(2.52)	(2.41)	(2.34)	(2.07)
Retained distributions**	3.14	2.94	2.52	-	-	-
<b>Closing net asset value</b>	<b>100.29</b>	<b>85.75</b>	<b>78.93</b>	<b>74.56</b>	<b>65.82</b>	<b>62.71</b>
*after direct transaction costs of	(0.06)	(0.08)	(0.08)	(0.05)	(0.06)	(0.07)
<b>Performance</b>						
Return after charges (%)	16.96	8.64	4.63	16.94	8.69	4.64
<b>Other information</b>						
Closing net asset value (£000's)	392,337	338,630	315,223	165,922	175,420	167,164
Closing number of units	391,198,852	394,898,717	399,373,395	222,530,467	266,506,000	266,577,105
Operating charges (%)	0.84	0.82	0.82	0.84	0.82	0.82
Direct transaction costs (%)***	0.07	0.10	0.10	0.07	0.10	0.10
<b>Prices</b>						
Highest dealing price	101.60p	94.49p	89.13p	77.98p	75.10p	73.15p
Lowest dealing price	82.29p	74.11p	72.77p	63.16p	58.91p	59.73p

# Comparative Table (continued)

Financial year to 15 July	Q Accumulation units <sup>1</sup>	S Income units		
	2024 pence per unit	2024 pence per unit	2023 pence per unit	2022 pence per unit
<b>Change in net asset value</b>				
Opening net asset value	50.00	59.30	56.49	55.78
Return before operating charges*	0.79	10.59	5.62	3.08
Operating charges	(0.04)	(0.34)	(0.54)	(0.33)
<b>Return after operating charges*</b>	<b>0.75</b>	<b>10.25</b>	<b>5.08</b>	<b>2.75</b>
Distributions**	(0.22)	(2.36)	(2.27)	(2.04)
Retained distributions**	0.22	–	–	–
<b>Closing net asset value</b>	<b>50.75</b>	<b>67.19</b>	<b>59.30</b>	<b>56.49</b>
*after direct transaction costs of	(0.01)	(0.04)	(0.06)	(0.06)
<b>Performance</b>				
Return after charges (%)	1.50	17.28	8.99	4.93
<b>Other information</b>				
Closing net asset value (£000's)	2	2,278	2,118	3,311
Closing number of units	3,000	3,391,127	3,570,946	5,860,829
Operating charges (%)	0.50	0.54	0.54	0.54
Direct transaction costs (%)***	0.07	0.07	0.10	0.10
<b>Prices</b>				
Highest dealing price	51.39p	70.43p	67.78p	66.01p
Lowest dealing price	48.65p	56.95p	53.09p	53.82p

# Comparative Table (continued)

Financial year to 15 July	Z Accumulation units			Z Income units		
	2024 pence per unit	2023 pence per unit	2022 pence per unit	2024 pence per unit	2023 pence per unit	2022 pence per unit
<b>Change in net asset value</b>						
Opening net asset value	135.27	124.60	119.17	99.52	94.81	93.60
Return before operating charges*	24.13	11.86	6.58	17.72	9.84	5.18
Operating charges	(1.30)	(1.19)	(1.15)	(0.95)	(1.67)	(0.91)
<b>Return after operating charges*</b>	<b>22.83</b>	<b>10.67</b>	<b>5.43</b>	<b>16.77</b>	<b>8.17</b>	<b>4.27</b>
Distributions**	(4.85)	(4.55)	(3.90)	(3.57)	(3.46)	(3.06)
Retained distributions**	4.85	4.55	3.90	-	-	-
<b>Closing net asset value</b>	<b>158.10</b>	<b>135.27</b>	<b>124.60</b>	<b>112.72</b>	<b>99.52</b>	<b>94.81</b>
*after direct transaction costs of	(0.10)	(0.13)	(0.13)	(0.07)	(0.10)	(0.10)
<b>Performance</b>						
Return after charges (%)	16.88	8.56	4.56	16.85	8.62	4.56
<b>Other information</b>						
Closing net asset value (£000's)	285,133	359,551	430,861	42,271	54,889	59,003
Closing number of units	180,353,458	265,797,735	345,803,287	37,500,369	55,156,737	62,234,893
Operating charges (%)	0.91	0.89	0.89	0.91	0.89	0.89
Direct transaction costs (%)***	0.07	0.10	0.10	0.07	0.10	0.10
<b>Prices</b>						
Highest dealing price	160.20p	149.10p	140.80p	117.80p	113.50p	110.60p
Lowest dealing price	129.80p	117.00p	115.00p	95.47p	89.04p	90.30p

\*\* 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 Q Accumulation units launched on 13 May 2024.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a unit 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 Annual Management Charge, Registrar fees, Safe custody fees, Trustee's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are units 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](http://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 15.7.24	Market Value £000's	% of net assets
<b>Equities 95.43% (96.51%)</b>			
<b>Basic Materials 7.36% (6.49%)</b>			
Anglo American	683,462	16,160	1.78
Johnson Matthey	867,686	14,594	1.61
Rio Tinto	404,193	20,986	2.32
Sibanye Stillwater	4,357,447	3,888	0.43
Synthomer	4,003,848	11,051	1.22
		<b>66,679</b>	<b>7.36</b>
<b>Consumer Discretionary 19.95% (22.52%)</b>			
ASOS	2,042,565	7,545	0.83
Bellway	551,018	14,800	1.63
boohoo Group*	42,876,541	14,955	1.65
Burberry Group	1,295,749	9,638	1.06
Continental	373,432	18,413	2.03
Currys	18,955,732	14,662	1.62
Dowlais Group	20,636,585	14,611	1.61
easyJet	2,585,453	12,741	1.41
ITV	27,234,662	22,687	2.50
Playtech	188,349	1,032	0.12
Renault	310,063	13,083	1.45
Taylor Wimpey	11,857,707	18,575	2.05
WPP	2,462,712	18,007	1.99
		<b>180,749</b>	<b>19.95</b>
<b>Consumer Staples 9.83% (8.24%)</b>			
British American Tobacco	733,283	18,149	2.00
C&C Group	11,039,292	17,817	1.97
Imperial Brands	646,095	13,290	1.47
J Sainsbury	5,489,053	14,326	1.58
Marks & Spencer Group	5,534,069	16,597	1.83
Tesco	2,820,012	8,900	0.98
		<b>89,079</b>	<b>9.83</b>
<b>Energy 9.16% (11.20%)</b>			
DNO	3,764,408	2,942	0.33
Energear	270,587	2,844	0.31
Eni	1,220,820	14,616	1.61
Harbour Energy	1,158,726	3,583	0.40
Hunting	3,972,683	16,705	1.84
International Petroleum	380,541	4,380	0.48
John Wood Group	9,086,124	18,354	2.03
Shell	468,259	13,146	1.45
Var Energi	2,508,986	6,432	0.71
		<b>83,002</b>	<b>9.16</b>
<b>Financials 21.39% (21.42%)</b>			
Aviva	3,178,306	15,446	1.70
Barclays	12,573,143	28,384	3.13
Direct Line Insurance Group	9,760,594	18,438	2.03
HSBC Holdings	2,753,261	18,276	2.02

	Holding at 15.7.24	Market Value £000's	% of net assets
Lloyds Banking Group	43,565,042	25,616	2.83
M&G	8,742,810	18,098	2.00
NatWest Group	6,903,246	22,277	2.46
St. James's Place	2,427,626	13,643	1.51
Standard Chartered	2,486,859	18,045	1.99
TP ICAP Group	4,061,118	8,853	0.98
Vanquis Banking Group	12,676,488	6,706	0.74
		<b>193,782</b>	<b>21.39</b>
<b>Health Care 2.91% (2.76%)</b>			
GSK	975,226	14,604	1.61
Viatis	1,386,725	11,770	1.30
		<b>26,374</b>	<b>2.91</b>
<b>Industrials 13.18% (14.18%)</b>			
Capita	83,803,458	17,850	1.97
De La Rue	12,425,108	11,978	1.32
Firstgroup	5,025,648	8,750	0.97
International Distribution Services	5,180,308	17,250	1.90
Kier Group	8,402,539	13,209	1.46
Morgan Advanced Materials	3,378,868	11,252	1.24
Senior	4,463,077	7,382	0.81
Travis Perkins	2,326,944	20,919	2.31
Vesuvius	2,281,232	10,881	1.20
		<b>119,471</b>	<b>13.18</b>
<b>Real Estate 4.63% (4.03%)</b>			
Hammerson REIT	85,565,739	25,139	2.78
Land Securities Group REIT	2,586,698	16,801	1.85
		<b>41,940</b>	<b>4.63</b>
<b>Technology 1.07% (1.95%)</b>			
Intel	364,243	9,735	1.07
		<b>9,735</b>	<b>1.07</b>
<b>Telecommunications 5.95% (3.72%)</b>			
Airtel Africa	15,786,574	18,297	2.02
BT Group	13,491,376	18,726	2.07
Vodafone Group	24,264,651	16,912	1.86
		<b>53,935</b>	<b>5.95</b>
<b>Equities total</b>			
		<b>864,746</b>	<b>95.43</b>
<b>Corporate Bonds 0.29% (1.32%)</b>			
<b>Energy 0.29% (1.32%)</b>			
Petrofac 9.75% 15/11/2026	20,865,000	2,652	0.29
		<b>2,652</b>	<b>0.29</b>
<b>Corporate Bonds total</b>			
		<b>2,652</b>	<b>0.29</b>
<b>Portfolio of investments</b>			
		<b>867,398</b>	<b>95.72</b>
<b>Net other assets</b>			
		<b>38,755</b>	<b>4.28</b>
<b>Net assets attributable to unitholders</b>			
		<b>906,153</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 15 July 2023.  
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 15 July 2024

		2024	2023
	Notes	£000's	£000's
Income			
Net capital gains	2	106,767	52,893
Revenue	3	38,420	45,853
Expenses	4	(7,821)	(9,199)
Net revenue before taxation		30,599	36,654
Taxation	5	(545)	(753)
Net revenue after taxation		30,054	35,901
Total return before distributions		136,821	88,794
Distributions	6	(30,058)	(35,913)
Change in net assets attributable to unitholders from investment activities		106,763	52,881

# Statement of Change in Net Assets Attributable to Unitholders

For the year ended 15 July 2024

	2024	2023
	£000's	£000's
Opening net assets attributable to unitholders	954,521	1,004,409
Amounts receivable on issue of units	129,638	85,105
Amounts payable on cancellation of units	(306,628)	(212,260)
	<b>(176,990)</b>	<b>(127,155)</b>
Dilution adjustment	425	94
Change in net assets attributable to unitholders from investment activities	106,763	52,881
Retained distribution on Accumulation units	21,434	24,292
<b>Closing net assets attributable to unitholders</b>	<b>906,153</b>	<b>954,521</b>

# Balance Sheet

As at 15 July 2024

Notes	2024	2023
	£000's	£000's
<b>Assets</b>		
Investments	867,398	933,787
<b>Current assets</b>		
Debtors	27,323	3,240
Cash and bank balances	21,818	31,636
<b>Total assets</b>	<b>916,539</b>	<b>968,663</b>
<b>Liabilities</b>		
<b>Creditors</b>		
Distributions payable	(6,800)	(8,252)
Other creditors	(3,586)	(5,890)
<b>Total liabilities</b>	<b>(10,386)</b>	<b>(14,142)</b>
<b>Net assets attributable to unitholders</b>	<b>906,153</b>	<b>954,521</b>

# Notes to the Accounts

## For the year ended 15 July 2024

### 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 Manager has undertaken a detailed assessment of the Fund's ability to meet its liabilities as they fall due, including liquidity, fluctuations in global capital markets and investor redemption levels. Based on this assessment, the Fund continues to be open for trading and the Manager is satisfied the Fund has adequate financial resources to continue in operation for at least the next 12 months after the financial statements are signed and accordingly it is appropriate to adopt the going concern basis in preparing the financial statements.

#### 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 Fund. Any enhancement above the cash dividend is treated as capital.

Interest receivable from bank balances is accounted for on an accruals basis.

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

The Annual management charge in respect of the Schroder Funds in which the Fund invests are rebated to the Fund so that no double charging occurs.

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

#### Expenses

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

#### Taxation

Corporation tax is provided for on the revenue liable to corporation tax less deductible expenses. The tax effect of different items of revenue or expenses 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 Fund, less deductible expenses and taxation charged to revenue.

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

#### Dilution adjustment

In certain circumstances the Manager may apply a dilution adjustment on subscriptions and redemptions of units. See Prospectus for further details.

#### Valuation

All investments held by the Fund 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.

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

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

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

#### 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.

#### Derivative revenue

Where derivative contracts are used to protect or enhance revenue, the revenue and expenses derived there from are included in 'Revenue' in the Statement of Total Return. Where derivative contracts are used to protect or enhance capital, the returns derived there from are included in 'Net capital gains/(losses) on investments' in the Statement of Total Return. Where derivative contracts generate total returns, such returns are apportioned between capital and revenue to properly reflect the nature of the transaction.



# Notes to the Accounts

## For the year ended 15 July 2024 (continued)

### 2 Net capital gains

The net capital gains during the year comprise:

	2024	2023
	£000's	£000's
Non-derivative securities	106,797	52,900
Forward foreign currency contracts	-	(34)
Foreign currency (losses)/gains	(30)	27
<b>Net capital gains</b>	<b>106,767</b>	<b>52,893</b>

### 3 Revenue

	2024	2023
	£000's	£000's
UK dividends	28,147	34,679
Overseas dividends	6,342	8,352
Real estate income distributions	2,371	970
Interest on debt securities	885	1,534
Bank interest	675	316
Annual management charge rebates	-	2
<b>Total revenue</b>	<b>38,420</b>	<b>45,853</b>

### 4 Expenses

	2024	2023
	£000's	£000's
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Schroders Annual Charge <sup>1</sup>	7,821	9,199
<b>Total expenses</b>	<b>7,821</b>	<b>9,199</b>

1 Audit fees including VAT for the year were £7,738 (2023 – £7,738).

### 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

	2024	2023
	£000's	£000's
Overseas withholding tax	545	753
<b>Total current tax (Note 5(b))</b>	<b>545</b>	<b>753</b>

# Notes to the Accounts

## For the year ended 15 July 2024 (continued)

### (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 authorised unit trusts of 20% (2023 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2024	2023
	£000's	£000's
<b>Net revenue before taxation</b>	<b>30,599</b>	<b>36,654</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	6,120	7,331
<b>Effects of:</b>		
Revenue not subject to corporation tax	(7,033)	(8,606)
Movement in excess management expenses	913	1,275
Overseas withholding tax	545	753
<b>Total tax charge for the year (Note 5(a))</b>	<b>545</b>	<b>753</b>

### (c) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £25,151,536 (2023 – £24,238,472) in respect of £125,757,681 (2023 – £121,192,360) of unutilised management expenses and loan relationship debits. 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 units and revenue deducted on the cancellation of units, and comprise:

	2024	2023
	£000's	£000's
Final Dividend distribution	28,234	32,544
Add: Revenue deducted on cancellation of units	4,544	4,681
Deduct: Revenue received on issue of units	(2,720)	(1,312)
<b>Distributions</b>	<b>30,058</b>	<b>35,913</b>
Net revenue after taxation	30,054	35,901
Equalisation on conversions	4	12
<b>Distributions</b>	<b>30,058</b>	<b>35,913</b>

Details of the distributions per unit are set out in the Distribution Tables on page 22.

## 7 Fair value hierarchy

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

	2024		2023	
<b>Basis of valuation</b>	<b>Assets £000's</b>	<b>Liabilities £000's</b>	<b>Assets £000's</b>	<b>Liabilities £000's</b>
Level 1: Quoted prices	864,746	–	921,227	–
Level 2: Observable market data	2,652	–	12,560	–
Level 3: Unobservable data	–	–	–	–
<b>Total</b>	<b>867,398</b>	<b>–</b>	<b>933,787</b>	<b>–</b>

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 Manager 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 Manager 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 Manager with particular attention paid to the carrying value of the investments.

# Notes to the Accounts

## For the year ended 15 July 2024 (continued)

### 8 Debtors

	2024	2023
	£000's	£000's
Amounts receivable for issue of units	446	135
Sales awaiting settlement	23,241	–
Accrued revenue	2,747	2,267
Overseas withholding tax recoverable	889	736
Income tax recoverable	–	102
<b>Total debtors</b>	<b>27,323</b>	<b>3,240</b>

### 9 Other creditors

	2024	2023
	£000's	£000's
Amounts payable for cancellation of units	1,493	4,847
Purchases awaiting settlement	1,107	–
Accrued expenses	986	1,043
<b>Total other creditors</b>	<b>3,586</b>	<b>5,890</b>

### 10 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2023 – Nil).

### 11 Related party transactions

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

Amounts paid during the year or due to the Manager 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 Manager of Nil (2023 – £2,165) are disclosed under Net capital gains and Revenue in the Notes to the Accounts.

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

Units held or managed by the Manager as a percentage of the Fund's net asset value at the balance sheet date were 0.00% (2023 – 0.00%).

Certain directors or close family members of directors own units in the fund. At the balance sheet date, Z Accumulation units held were 14,913.53 and distributions payable in respect of such unit holdings were £723.30.

### 12 Unit classes

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

The closing net asset value of each unit class, the closing net asset value per unit and the closing number of units in issue are given in the Comparative Table on pages 10 to 13.

The distributions per unit class are given in the Distribution Tables on page 22.

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 Manager'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 Manager in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, 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 unitholders would increase or decrease by approximately £86,739,800 (2023 – £93,378,700).

#### 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 Manager 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.

# Notes to the Accounts

## For the year ended 15 July 2024 (continued)

### Currency risk profile

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

Currency	2024	2023
	£000's	£000's
Euro	48,210	66,148
Norwegian krone	9,693	–
South African rand	4,029	6,172
Sterling	814,796	838,344
Swedish krona	4,539	–
US dollar	24,886	43,857

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 unitholders will increase or decrease by approximately £9,135,700 (2023 - £11,617,600).

### Liquidity risk

The primary source of this risk to the Fund is the liability to unitholders for any cancellation of units. 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 2.70% (2023 – 4.63%) 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 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 the efficient management of the Fund.

### Global risk exposure

#### Commitment approach

When using derivatives, the Manager 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 15 July 2024 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

2024				2023			
Lowest	Highest	Average	Leverage 15 July	Lowest	Highest	Average	Leverage 15 July
0.00%	0.31%	0.01%	0.00%	0.00%	1.19%	0.02%	0.00%

# Notes to the Accounts

## For the year ended 15 July 2024 (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.

2024	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Purchases <sup>1</sup>						
Equities	170,229	74	736	171,039	0.04	0.42
Corporate actions purchases:						
Equities	4,412	-	-	4,412	-	-
	174,641	75	736	175,451		
<b>Sales</b>						
Equities	348,624	(142)	(1)	348,481	(0.04)	-
Total cost as a percentage of the Fund's average net asset value (%)		0.02	0.08			

2023	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Bonds	11,034	-	-	11,034	-	-
Equities	185,081	88	799	185,968	0.05	0.43
	196,115	88	799	197,002		
<b>Sales</b>						
Equities	287,632	(136)	(1)	287,495	(0.05)	-
Total cost as a percentage of the Fund's average net asset value (%)		0.02	0.08			

#### Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.15% (2023 – 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.

### 15 Units in issue reconciliation

	Number of units in issue 15.7.23	Number of units issued	Number of units cancelled	Number of units converted	Number of units in issue 15.7.24
A Accumulation units	89,961	7,590	(29,826)	(8,622)	59,103
A Income units	9,896	844	(2,941)	(1,226)	6,573
L Accumulation units	394,898,717	76,968,218	(84,800,428)	4,132,345	391,198,852
L Income units	266,506,000	4,057,830	(53,964,415)	5,931,052	222,530,467
Q Accumulation units	-	3,000	-	-	3,000
S Income units	3,570,946	-	(179,819)	-	3,391,127
Z Accumulation units	265,797,735	31,948,928	(116,301,159)	(1,092,046)	180,353,458
Z Income units	55,156,737	7,254,202	(21,247,451)	(3,663,119)	37,500,369

# Distribution Tables

## Final distribution for the year ended 15 July 2024

**Group 1** Units purchased prior to 16 July 2023

**Group 2** Units purchased on or after 16 July 2023

	Net revenue 2024 per unit	Equalisation 2024 per unit	Distribution payable 15.9.24 per unit	Distribution paid 15.9.23 per unit
<b>A Accumulation units</b>				
Group 1	698.6148p	–	698.6148p	662.4258p
Group 2	361.9433p	336.6715p	698.6148p	662.4258p
<b>A Income units</b>				
Group 1	354.7783p	–	354.7783p	345.3810p
Group 2	222.9357p	131.8426p	354.7783p	345.3810p
<b>L Accumulation units</b>				
Group 1	3.1389p	–	3.1389p	2.9409p
Group 2	1.1639p	1.9750p	3.1389p	2.9409p
<b>L Income units</b>				
Group 1	2.4083p	–	2.4803p	2.3369p
Group 2	1.0979p	1.3104p	2.4803p	2.3369p
<b>S Income units</b>				
Group 1	2.3625p	–	2.3625p	2.2734p
Group 2	0.7007p	1.6618p	2.3625p	2.2734p
<b>Z Accumulation units</b>				
Group 1	4.8471p	–	4.8471p	4.5458p
Group 2	2.3705p	2.4766p	4.8471p	4.5458p
<b>Z Income units</b>				
Group 1	3.5665p	–	3.5665p	3.4608p
Group 2	2.1462p	1.4203p	3.5665p	3.4608p

## Final distribution for the year ended 15 July 2024

**Group 1** Units purchased on 13 May 2024

**Group 2** Units purchased after 13 May 2024

	Net revenue 2024 per unit	Equalisation 2024 per unit	Distribution payable 15.9.24 per unit
<b>Q Accumulation units</b>			
Group 1	0.2206p	–	0.2206p
Group 2	0.2206p	–	0.2206p

## Equalisation

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

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

# Remuneration

## UCITS remuneration disclosures for Schroder Unit Trusts Limited ('SUTL') for the year to 31 December 2023

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 74 to 93 of the 2023 Annual Report & Accounts (available on the Group's website <https://www.schroders.com/ir>) 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 2023 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 policy documentation.

Our ratio of operating compensation costs to net operating income 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 & compliance, legal and internal audit matters from the heads of those areas.

The remuneration data that follows reflects amounts paid in respect of performance during 2023.

- 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 SUTL<sup>1</sup>. 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 160 UCITS MRTs of SUTL in respect of the financial year ended 31 December 2023 is £106.64 million, of which £44.44 million was paid to senior management, £60.22 million was paid to MRTs deemed to be taking risk on behalf of SUTL or the UCITS funds that it manages and £1.98 million was paid to Control Function MRTs.

For additional qualitative information on remuneration policies and practices see [www.schroders.com/rem-disclosures](https://www.schroders.com/rem-disclosures).

<sup>1</sup> The fees are not disclosed due to confidentiality and data protection considerations. The amount is not material to SUTL.

# 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 Auditor

KPMG LLP  
319 St Vincent Street  
Glasgow G2 5AS

## 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 retail 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 group website at <https://www.schroders.com/en-gb/uk/intermediary/funds-and-strategies/charges/schroders-assessment-of-value-reports/> within 4 months of the annual 'reference date' 31 December.

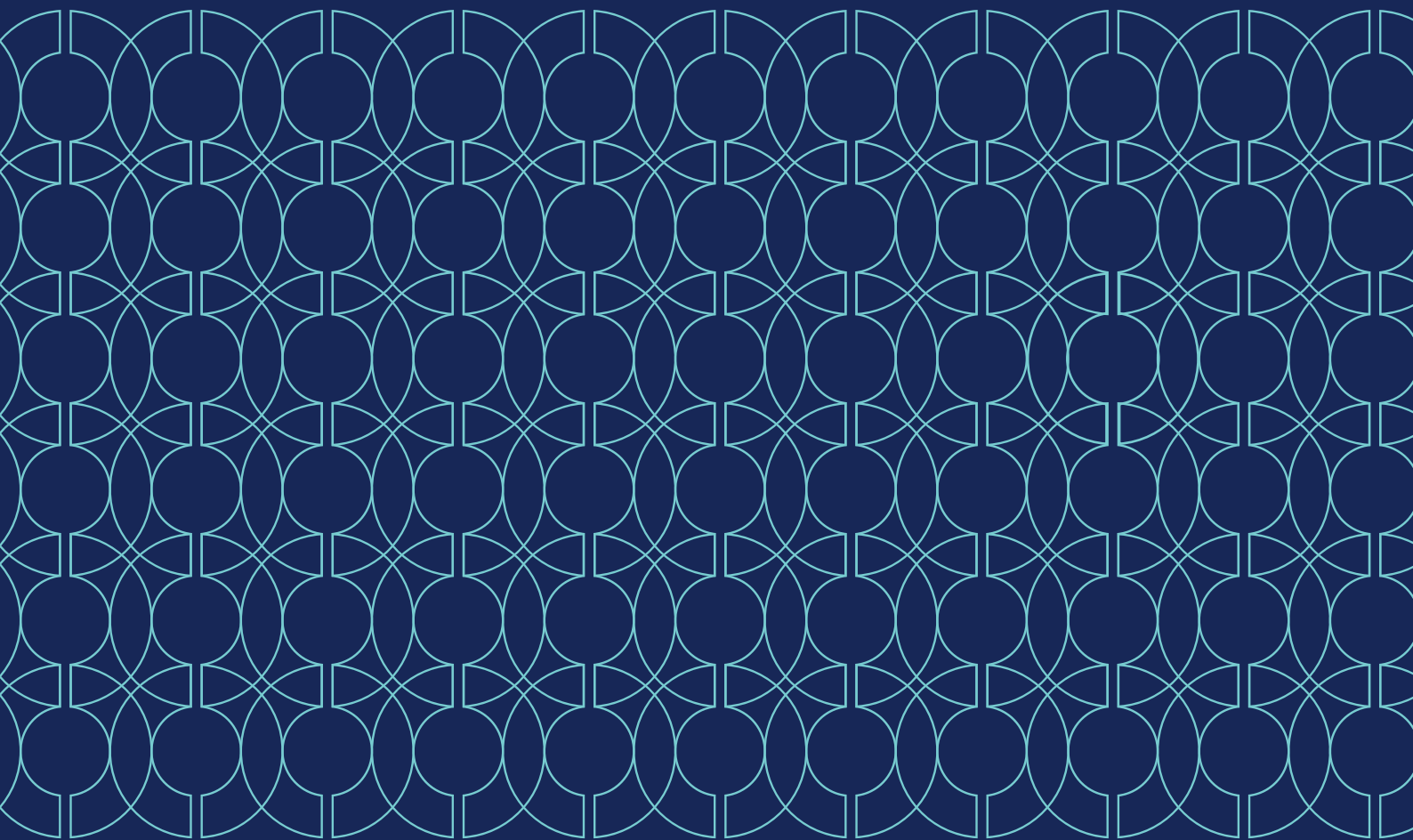
## Task Force on Climate-Related Financial Disclosures

A statement on the climate related financial disclosures is published at [www.schroders.com/en/global/individual/corporate-transparency/tcf-entity-and-product-reports/](http://www.schroders.com/en/global/individual/corporate-transparency/tcf-entity-and-product-reports/).

## 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](http://www.schroders.com).





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