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¹ Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

Schroder Gilt & Fixed Interest Fund (the 'Fund') aims to provide income and capital growth in excess of the FTSE Gilts All Stocks index (after fees have been deducted) over a three to five year period by investing in fixed and floating rate securities issued by governments worldwide.

The Fund is actively managed and invests at least 95% 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 and supra-nationals worldwide. The Fund invests at least 80% of its assets in fixed and floating rate securities issued by the UK government.

The Fund may also invest directly or indirectly in securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds) 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 its target benchmark, being to exceed the FTSE Gilts All Stocks index, and compared against the Investment Association UK Gilts 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 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.

Review of Investment Activities

From 31 August 2022 to 31 August 2023, the price of A Accumulation units on a dealing price basis fell 10.33%. In the same period the FTSE¹ Gilts All Stocks Index generated a negative total return of 9.46%².

The reporting period started amid extreme volatility across UK assets driven by political events. Gilt yields rose sharply as markets priced in an aggressive level of fiscal easing, prompting the Bank of England (BoE) to intervene in order to prevent a more systemic crisis. A swift change in government leadership then introduced a calmer market environment.

The portfolio's rates strategy was responsible for the relative underperformance experienced, especially at the beginning of the period when the portfolio expressed our pessimistic view on growth through overweight duration, at a time when bond markets sold off dramatically.

Throughout the period, we were cautious on outright duration given the ongoing inflation risks, preferring instead to exploit cross-market opportunities which failed to perform. The UK and US were our favoured overweights, against which we held short positions in Europe in Q4 2022, and latterly Australia and Canada.

Towards the end of the period, we became more constructive on European duration given the weakness in China was feeding through into the eurozone's manufacturing cycle. As such, we implemented overweight positions (both outright and cross-market vs the US). We continued to express our conviction that yield curves will potentially steepen as central banks move towards cutting interest rates, and are positioned for this primarily in the US.

Co-Fund Manager:

Julien Houdain



In 2023, Julien Houdain became Head of Global Unconstrained Fixed Income

He joined Schroders in 2019 as the Deputy Head of Credit, Europe and was responsible for managing a range of Global Unconstrained and Credit strategies

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

Master of Research, University of Paris XII, France, Applied Mathematics

University Paris XII, Graduate in Econometrics

Co-Fund Manager:

James Ringer



2016: Schroders, Portfolio Manager

2014: Schroders, Portfolio Analyst

2013: Schroders, Graduate Trainee, Economics desk

BA (Hons) Business Economics, University of Exeter

CFA Charterholder

Global Unconstrained Fixed Income

The Fund is managed by the Global Unconstrained Fixed Income Team according to a team-based investment process. Julien Houdain, Head of Global Unconstrained Fixed Income, has responsibility for the team's overall investment strategy. The team is structured to bring together a number of global fixed income specialisms, and is substantially resourced to provide in-depth analysis on all these areas of fixed income. In addition to eight portfolio managers with focused expertise across rates, credit and FX, the team benefits from an on-desk macro strategist function. Our market views are based on deep proprietary research and formed by leveraging insight from those with the greatest expert knowledge, while our dedicated quantitative investment resource provides essential tools that allow us to take the 'emotion' out of investing through systematic modelling and a comprehensive risk management framework.

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² Source: Refinitive Eikon Datastream.

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.

The risk and reward indicator changed from 4 to 5 with effect from 15 February 2023.

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 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 losses on the property of the Fund for the year.

In preparing the accounts 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 the Fund's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

P. Truscott

Directors

20 December 2023

P. Chislett

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 Gilt & Fixed Interest Fund ('the Fund') for the Year ended 31 August 2023.

The Trustee of the Schroder Gilt & Fixed Interest 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
20 September 2023

Independent auditor's report to the Unitholders of Schroder Gilt & Fixed Interest Fund

Opinion

We have audited the financial statements of Schroder Gilt & Fixed Interest Fund (the 'Fund') for the year ended 31 August 2023 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 31 August 2023 and of the net revenue and the net capital losses 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 Gilt & Fixed Interest 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.

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

20 December 2023

Comparative Table

Financial year to 31 August	A Accumulation units			A Income units		
	2023 pence per unit	2022 pence per unit	2021 pence per unit	2023 pence per unit	2022 pence per unit	2021 pence per unit
Change in net asset value						
Opening net asset value	191.86	244.48	249.14	51.49	66.78	68.91
Return before operating charges*	(19.66)	(51.31)	(3.24)	(5.26)	(13.93)	(0.91)
Operating charges	–	(1.31)	(1.42)	–	(0.36)	(0.39)
Return after operating charges*	(19.66)	(52.62)	(4.66)	(5.26)	(14.29)	(1.30)
Distributions**	(6.07)	(3.66)	(3.50)	(1.61)	(1.00)	(0.83)
Retained distributions**	6.07	3.66	3.50	–	–	–
Closing net asset value	172.20	191.86	244.48	44.62	51.49	66.78
*after direct transaction costs of	–	–	–	–	–	–
Performance						
Return after charges (%)	(10.25)	(21.52)	(1.87)	(10.22)	(21.40)	(1.89)
Other information						
Closing net asset value (£000's)	43,999	65,751	96,519	4,442	6,214	9,502
Closing number of units	25,551,041	34,269,961	39,480,214	9,953,873	12,067,343	14,229,398
Operating charges (%)	0.58	0.58	0.58	0.58	0.58	0.58
Prices						
Highest dealing price	190.90p	250.20p	255.80p	51.23p	68.34p	70.75p
Lowest dealing price	162.90p	191.70p	234.80p	43.71p	51.97p	64.49p

Comparative Table (continued)

Financial year to 31 August	X Accumulation units ¹		X Income units ²	
	2023 pence per unit	2022 pence per unit	2023 pence per unit	2022 pence per unit
Change in net asset value				
Opening net asset value	48.37	50.00	48.18	50.00
Return before operating charges*	(4.70)	(1.63)	(4.67)	(1.63)
Return after operating charges*	(4.70)	(1.63)	(4.67)	(1.63)
Distributions**	(1.54)	(0.19)	(1.52)	(0.19)
Retained distributions**	1.54	0.19	-	-
Closing net asset value	43.67	48.37	41.99	48.18
*after direct transaction costs of	-	-	-	-
Performance				
Return after charges (%)	(9.72)	(3.26)	(9.69)	(3.26)
Other information				
Closing net asset value (£000's)	1	1	429	1
Closing number of units	3,000	3,000	1,021,916	3,000
Operating charges (%)	0.03	0.03	0.03	0.03
Prices				
Highest dealing price	48.12p	53.91p	47.93p	53.91p
Lowest dealing price	41.08p	48.31p	40.92p	48.31p

Comparative Table (continued)

Financial year to 31 August	Z Accumulation units			Z Income units		
	2023 pence per unit	2022 pence per unit	2021 pence per unit	2023 pence per unit	2022 pence per unit	2021 pence per unit
Change in net asset value						
Opening net asset value	194.46	247.27	251.48	52.08	67.40	69.56
Return before operating charges*	(19.52)	(51.96)	(3.27)	(5.20)	(14.08)	(0.92)
Operating charges	–	(0.85)	(0.94)	–	(0.23)	(0.26)
Return after operating charges*	(19.52)	(52.81)	(4.21)	(5.20)	(14.31)	(1.18)
Distributions**	(6.16)	(3.70)	(3.54)	(1.64)	(1.01)	(0.98)
Retained distributions**	6.16	3.70	3.54	–	–	–
Closing net asset value	174.94	194.46	247.27	45.24	52.08	67.40
*after direct transaction costs of	–	–	–	–	–	–
Performance						
Return after charges (%)	(10.04)	(21.36)	(1.67)	(9.98)	(21.23)	(1.70)
Other information						
Closing net asset value (£000's)	61,016	63,158	142,710	1,609	1,782	2,408
Closing number of units	34,878,424	32,477,724	57,714,298	3,556,145	3,420,506	3,572,106
Operating charges (%)	0.35	0.35	0.38	0.35	0.35	0.38
Prices						
Highest dealing price	193.50p	253.20p	258.30p	51.82p	69.02p	71.45p
Lowest dealing price	165.10p	194.30p	237.20p	44.22p	52.56p	65.17p

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

1 X Accumulation units launched on 22 June 2022.

2 X Income units launched on 22 June 2022.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a 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.

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

Portfolio Statement

	Holding at 31.8.23	Market Value £000's	% of net assets
Government Bonds 96.63% (93.19%)			
France 0.24% (0.00%)			
France Government Bond OAT 3% 25/05/2054	343,000	268	0.24
		268	0.24
United Kingdom 96.39% (93.19%)			
UK Treasury 0.125% 31/01/2024	2,356,000	2,310	2.07
UK Treasury 1% 22/04/2024	2,788,000	2,718	2.44
UK Treasury 2.75% 07/09/2024	2,620,000	2,559	2.30
UK Treasury 3.5% 22/10/2025	17,612,000	17,037	15.28
UK Treasury 0.375% 22/10/2026	4,671,000	4,095	3.67
UK Treasury 4.125% 29/01/2027	7,529,000	7,372	6.61
UK Treasury 4.5% 07/06/2028	5,412,000	5,377	4.82
UK Treasury 0.5% 31/01/2029	8,415,000	6,831	6.13
UK Treasury 0.375% 22/10/2030	2,515,000	1,915	1.72
UK Treasury 4.75% 07/12/2030	1,744,000	1,794	1.61
UK Treasury 0.25% 31/07/2031	3,048,000	2,228	2.00
UK Treasury 1% 31/01/2032	2,697,840	2,072	1.86
UK Treasury 4.25% 07/06/2032	3,026,000	3,024	2.71
UK Treasury 3.25% 31/01/2033	1,680,000	1,538	1.38
UK Treasury 0.875% 31/07/2033	2,839,413	2,050	1.84
UK Treasury 4.5% 07/09/2034	2,719,937	2,744	2.46
UK Treasury 0.625% 31/07/2035	246,000	160	0.14
UK Treasury 4.25% 07/03/2036	2,377,000	2,333	2.09
UK Treasury 1.75% 07/09/2037	2,444,733	1,747	1.57
UK Treasury 3.75% 29/01/2038	1,020,000	932	0.84
UK Treasury 4.75% 07/12/2038	2,771,000	2,834	2.54
UK Treasury 1.125% 31/01/2039	1,420,000	883	0.79
UK Treasury 4.25% 07/09/2039	1,836,000	1,767	1.59
UK Treasury 4.25% 07/12/2040	2,006,770	1,922	1.72
UK Treasury 1.25% 22/10/2041	2,558,000	1,516	1.36
UK Treasury 4.5% 07/12/2042	2,230,000	2,197	1.97

	Holding at 31.8.23	Market Value £000's	% of net assets
UK Treasury 3.25% 22/01/2044	2,227,453	1,822	1.63
UK Treasury 3.5% 22/01/2045	2,217,000	1,873	1.68
UK Treasury 0.875% 31/01/2046	1,768,000	852	0.76
UK Treasury 4.25% 07/12/2046	1,825,000	1,723	1.55
UK Treasury 1.5% 22/07/2047	1,953,000	1,079	0.97
UK Treasury 1.75% 22/01/2049	2,222,000	1,281	1.15
UK Treasury 4.25% 07/12/2049	1,597,247	1,508	1.35
UK Treasury 0.625% 22/10/2050	3,363,000	1,321	1.19
UK Treasury 1.25% 31/07/2051	2,112,000	1,015	0.91
UK Treasury 3.75% 22/07/2052	1,835,000	1,590	1.43
UK Treasury 1.5% 31/07/2053	1,158,009	584	0.52
UK Treasury 3.75% 22/10/2053	1,308,788	1,128	1.01
UK Treasury 1.625% 22/10/2054	191,000	99	0.09
UK Treasury 4.25% 07/12/2055	2,045,900	1,946	1.75
UK Treasury 1.75% 22/07/2057	2,295,000	1,218	1.09
UK Treasury 4% 22/01/2060	1,490,466	1,365	1.22
UK Treasury 0.5% 22/10/2061	1,834,000	546	0.49
UK Treasury 4% 22/10/2063	423,876	388	0.35
UK Treasury 2.5% 22/07/2065	3,689,000	2,365	2.12
UK Treasury 3.5% 22/07/2068	1,546,184	1,280	1.15
UK Treasury 1.625% 22/10/2071	526,000	246	0.22
UK Treasury 1.125% 22/10/2073	766,867	281	0.25
		107,465	96.39
Government Bonds total		107,733	96.63
Corporate Bonds 1.95% (3.00%)			
France 0.00% (0.21%)			
Switzerland 0.37% (0.00%)			
UBS Group FRN 1.875% 03/11/2029	510,000	415	0.37
		415	0.37
United Arab Emirates 0.00% (0.30%)			
United Kingdom 1.36% (1.84%)			
Barclays 3% 08/05/2026	190,000	174	0.16

Portfolio Statement (continued)

	Holding at 31.8.23	Market Value £000's	% of net assets
InterContinental Hotels Group 2.125% 24/08/2026	320,000	284	0.25
Tesco Corp. Treasury Services 1.875% 02/11/2028	700,000	575	0.52
Severn Trent Utilities Finance 2.75% 05/12/2031	340,000	272	0.24
National Grid Electricity Distribution South West 5.818% 31/07/2041	216,000	212	0.19
		1,517	1.36
United States of America 0.22% (0.65%)			
Verizon Communications 2.5% 08/04/2031	310,000	247	0.22
		247	0.22
Corporate Bonds total		2,179	1.95
Futures 0.01% ((0.06)%)			
Canada 10 Year Bond December 2023	(18)	(11)	(0.01)
Euro-Bund September 2023	23	7	0.00

	Holding at 31.8.23	Market Value £000's	% of net assets
Euro-OAT September 2023	6	8	0.01
US 5 Year Note December 2023	56	33	0.03
US 10 Year Ultra Bond December 2023	(34)	(23)	(0.02)
Futures total		14	0.01
Forward Foreign Currency Contracts 0.00% (0.01%)			
Buy CAD 619,388 Sell GBP 362,053 21/09/2023		(1)	0.00
Buy EUR 239,062 Sell GBP 206,474 21/09/2023		(1)	0.00
Buy USD 569,097 Sell GBP 446,926 21/09/2023		2	0.00
Sell CAD 597,255 Buy GBP 349,116 21/09/2023		1	0.00
Sell EUR 548,866 Buy GBP 474,047 21/09/2023		3	0.00
Sell USD 540,723 Buy GBP 424,643 21/09/2023		(2)	0.00
Forward Foreign Currency Contracts total		2	0.00
Supranational 0.00% (2.36%)			
Supranational 0.00% (2.36%)			
Option 0.00% (0.01%)			
Swaptions 0.00% (0.01%)			
Portfolio of investments		109,928	98.59
Net other assets		1,568	1.41
Net assets attributable to unitholders		111,496	100.00

The comparative percentage figures in brackets are as at 31 August 2022.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

Statement of Total Return

For the year ended 31 August 2023

		2023	2022
	Notes	£000's	£000's
Income			
Net capital losses	2	(16,911)	(42,083)
Revenue	3	4,095	2,068
Expenses	4	(572)	(864)
Net revenue before taxation		3,523	1,204
Taxation	5	-	-
Net revenue after taxation		3,523	1,204
Total return before distributions		(13,388)	(40,879)
Distributions	6	(4,083)	(2,888)
Change in net assets attributable to unitholders from investment activities		(17,471)	(43,767)

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 31 August 2023

	2023	2022
	£000's	£000's
Opening net assets attributable to unitholders	136,907	251,139
Amounts receivable on issue of units	9,333	13,409
Amounts payable on cancellation of units	(21,023)	(86,506)
	(11,690)	(73,097)
Dilution adjustment	4	39
Change in net assets attributable to unitholders from investment activities	(17,471)	(43,767)
Retained distribution on Accumulation units	3,746	2,593
Closing net assets attributable to unitholders	111,496	136,907

Balance Sheet

As at 31 August 2023

		2023	2022
	Notes	£000's	£000's
Assets			
Investments		109,966	135,096
Current assets			
Debtors	8	4,066	3,603
Cash and bank balances	9	2,170	4,964
Total assets		116,202	143,663
Liabilities			
Investment liabilities		(38)	(1,794)
Creditors			
Bank overdrafts	10	(132)	(1,329)
Distributions payable		(133)	(83)
Other creditors	11	(4,403)	(3,550)
Total liabilities		(4,706)	(6,756)
Net assets attributable to unitholders		111,496	136,907

Notes to the Accounts

For the year ended 31 August 2023

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

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

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

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

Interest on debt securities bought or sold

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

Expenses

Expenses of the Fund are initially 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

The Fund satisfied the qualifying investments test of Statutory Instrument 2006/964 Authorised Investment Funds (Tax) Regulations 2006 Regulation 19 throughout the year. All distributions made are therefore made as interest distributions.

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 the purpose of calculating the distribution, the Fund allocates the Schroders annual charge to capital, thereby increasing the amount available for distribution.

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

For the purpose of calculating the distribution, revenue on debt securities is calculated on a coupon basis where this exceeds the amount determined on an effective yield basis. As a consequence, the capital value of the Fund may be eroded.

Dilution adjustment

In certain circumstances the Manager may apply a dilution adjustment on subscriptions and redemptions of units. If applied, the dilution adjustment is paid to the Fund. See Prospectus for further details.

Valuation

With the exception of forward foreign currency contracts which have been valued at the Fund's valuation point (12:00) on the last working day of the accounting period, all other 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.

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.

2 Net capital losses

The net capital losses during the year comprise:

	2023	2022
	£000's	£000's
Non-derivative securities	(15,991)	(38,933)
Derivative contracts	(822)	(3,154)
Forward foreign currency contracts	(120)	44
Foreign currency gains/(losses)	22	(40)
Net capital losses	(16,911)	(42,083)

Notes to the Accounts

For the year ended 31 August 2023 (continued)

3 Revenue

	2023	2022
	£000's	£000's
Interest on debt securities	4,125	1,993
Bank interest	43	4
Net revenue return from derivative contracts	(73)	71
Total revenue	4,095	2,068

4 Expenses

	2023	2022
	£000's	£000's
Payable to the Manager, associates of the Manager and agents of either of them:		
Schroders Annual Charge ¹	562	857
Other expenses:		
Interest payable	10	7
Total expenses	572	864

1 Audit fees including VAT for the financial year ending 2023 were £8,377 (2022 – £10,471).

5 Taxation

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

(a) Factors affecting the total tax charge for the year

The tax assessed for the year is different from that calculated with the standard rate of corporation tax for authorised unit trusts of 20% (2022 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2023	2022
	£000's	£000's
Net revenue before taxation	3,523	1,204
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	705	241
Effects of:		
Interest distributions deductible for tax purposes	(705)	(241)
Total tax charge for the year	-	-

6 Distributions

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

	2023	2022
	£000's	£000's
Interim Interest distribution	1,730	1,352
Final Interest distribution	2,249	1,400
	3,979	2,752
Add: Revenue deducted on cancellation of units	176	180
Deduct: Revenue received on issue of units	(72)	(44)
Distributions	4,083	2,888
Net revenue after taxation	3,523	1,204
Expenses taken to capital	562	857
Adjustment for coupon distributions	(2)	827
Distributions	4,083	2,888

Details of the distributions per unit are set out in the Distribution Tables on pages 24 to 25.

Notes to the Accounts

For the year ended 31 August 2023 (continued)

7 Fair value hierarchy

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

Basis of valuation	2023		2022	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	107,513	(34)	127,621	(105)
Level 2: Observable market data	2,453	(4)	7,475	(1,689)
Level 3: Unobservable data	–	–	–	–
Total	109,966	(38)	135,096	(1,794)

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.

8 Debtors

	2023 £000's	2022 £000's
Amounts receivable for issue of units	15	1,328
Sales awaiting settlement	3,210	1,578
Amounts receivable on derivative contracts	–	150
Accrued revenue	841	547
Total debtors	4,066	3,603

9 Cash and bank balances

	2023 £000's	2022 £000's
Cash and bank balances	1,881	1,129
Amounts held at futures clearing houses and brokers	289	3,835
Total cash and bank balances	2,170	4,964

10 Bank Overdraft

	2023 £000's	2022 £000's
Bank overdrafts	132	1,329
Total bank overdrafts	132	1,329

Notes to the Accounts

For the year ended 31 August 2023 (continued)

11 Other creditors

	2023	2022
	£000's	£000's
Amounts payable for cancellation of units	116	184
Purchases awaiting settlement	4,245	3,306
Amounts payable on derivative contracts	-	2
Accrued expenses	42	58
Total other creditors	4,403	3,550

12 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2022 – Nil).

13 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.

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 or associates of the Manager as a percentage of the Fund's net asset value at the balance sheet date were 47.33% (2022 – 42.62%).

14 Unit classes

At the reporting date the Fund had six 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 12.

The distributions per unit class are given in the Distribution Tables on pages 24 to 25.

All classes have the same rights on winding up.

15 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, derivative, foreign currency, liquidity, credit and interest rate risks. The 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 £10,992,800 (2022 - £13,330,200).

Derivative risk

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

Foreign currency risk

Where a portion of the net assets of the Fund are denominated in currencies other than sterling the balance sheet and total return can be affected by currency movements. Therefore the 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.

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.

Credit risk

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

Notes to the Accounts

For the year ended 31 August 2023 (continued)

Interest rate risk

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

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

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

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

Floating rate financial assets and financial liabilities

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

Fair value of financial assets and financial liabilities

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

Derivatives

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

Global risk exposure

Relative VaR approach

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

Regulatory VaR limit utilisation

	2023			2022		
	Lowest	Highest	Average	Lowest	Highest	Average
	49.11%	53.11%	50.71%	49.74%	53.92%	51.33%

VaR Benchmark used

	2023	2022
	FTSE UK Gilts ALL Index	FTSE UK Gilts ALL Index

Information on VaR model

Model type	Length of data history	2023			2022		
		Confidence level	Holding period		Confidence level	Holding period	
Parametric VaR	All available history	99.00%	20 days		99.00%	20 days	

Notes to the Accounts

For the year ended 31 August 2023 (continued)

Leverage

Information on the limit usage and level of leverage

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

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

Leverage

2023				2022			
Lowest	Highest	Average	Leverage 31 August	Lowest	Highest	Average	Leverage 31 August
4.64%	247.90%	50.59%	11.57%	19.40%	241.12%	84.17%	213.95%

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

16 Debt security credit analysis

	2023 £000's	2022 £000's
Investment grade securities	109,912	134,917
Total debt securities	109,912	134,917

17 Direct transaction costs

No transaction costs on the purchase or sale of bonds were incurred by the Fund during the year or prior year. The total purchases of bonds for the year amounted to £510,523,140 (2022 – £526,368,128) and the total sales of bonds amounted to £520,797,438 (2022 – £599,691,815).

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.01% (2022 – 0.02%).

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

18 Units in issue reconciliation

	Number of units in issue 31.8.22	Number of units issued	Number of units cancelled	Number of units converted	Number of units in issue 31.8.23
A Accumulation units	34,269,961	1,927,377	(7,810,761)	(2,835,536)	25,551,041
A Income units	12,067,343	296,784	(2,028,840)	(381,414)	9,953,873
X Accumulation units	3,000	–	–	–	3,000
X Income units	3,000	1,018,916	–	–	1,021,916
Z Accumulation units	32,477,724	2,877,642	(3,269,935)	2,792,993	34,878,424
Z Income units	3,420,506	431,469	(672,362)	376,532	3,556,145

Notes to the Accounts

For the year ended 31 August 2023 (continued)

19 Counterparty exposure

The types of non-exchange traded derivatives held at the balance sheet date and the total position by counterparty at the balance sheet date was as follows:

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
Barclays										
2023	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	14	14
BNP Paribas										
2023	2	-	-	-	-	-	-	-	-	2
2022	10	-	-	-	-	-	-	-	-	10
Citigroup										
2023	-	-	-	-	-	-	-	-	-	-
2022	(15)	-	-	-	-	-	-	-	-	(15)
HSBC										
2023	-	-	-	-	-	-	-	-	-	-
2022	3	-	-	-	-	-	-	-	-	3
J.P. Morgan										
2023	-	-	-	-	-	-	-	-	-	-
2022	3	-	-	-	-	-	-	-	-	3
Morgan Stanley										
2023	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	(1,572)	-	-	-	-	(1,572)
State Street										
2023	-	-	-	-	-	-	-	-	-	-
2022	9	-	-	-	-	-	-	-	-	9
UBS										
2023	-	-	-	-	-	-	-	-	-	-
2022	-	-	-	-	-	-	-	-	-	-

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

Counterparty	2023 £000's	2022 £000's
Morgan Stanley	-	(2,164)
Total	-	(2,164)

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

	2023 £000's	2022 £000's
Cash	-	(2,164)
Total	-	(2,164)

Notes to the Accounts

For the year ended 31 August 2023 (continued)

20 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 August 2023, the price of each unit class has changed as follows:

	Dealing price 15.12.23	Dealing price 31.8.23	% change
A Accumulation units	182.00p	171.90p	5.88
A Income units	47.17p	45.45p	3.78
X Accumulation units	46.24p	43.58p	6.10
X Income units	44.46p	42.77p	3.95
Z Accumulation units	185.10p	174.60p	6.01
Z Income units	47.85p	46.07p	3.86

Distribution Tables

Interim distribution for the six months ended 28 February 2023

Group 1 Units purchased prior to 1 September 2022

Group 2 Units purchased on or after 1 September 2022

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution paid 30.4.23 per unit	Distribution paid 30.4.22 per unit
A Accumulation units				
Group 1	2.5973p	–	2.5973p	1.6947p
Group 2	1.4343p	1.1630p	2.5973p	1.6947p
A Income units				
Group 1	0.6970p	–	0.6970p	0.4629p
Group 2	0.4328p	0.2642p	0.6970p	0.4629p
X Accumulation units				
Group 1	0.6583p	–	0.6583p	–
Group 2	0.6583p	–	0.6583p	–
X Income units				
Group 1	0.6563p	–	0.6563p	–
Group 2	0.6563p	–	0.6563p	–
Z Accumulation units				
Group 1	2.6393p	–	2.6393p	1.7149p
Group 2	1.2261p	1.4132p	2.6393p	1.7149p
Z Income units				
Group 1	0.7069p	–	0.7069p	0.4675p
Group 2	0.4277p	0.2792p	0.7069p	0.4675p

Final distribution for the six months ended 31 August 2023

Group 1 Units purchased prior to 1 March 2023

Group 2 Units purchased on or after 1 March 2023

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution payable 31.10.23 per unit	Distribution paid 31.10.22 per unit
A Accumulation units				
Group 1	3.4699p	–	3.4699p	1.9620p
Group 2	2.0408p	1.4291p	3.4699p	1.9620p
A Income units				
Group 1	0.9177p	–	0.9177p	0.5321p
Group 2	0.5313p	0.3864p	0.9177p	0.5321p
X Accumulation units				
Group 1	0.8833p	–	0.8833p	0.1876p
Group 2	0.8833p	–	0.8833p	0.1876p
X Income units				
Group 1	0.8637p	–	0.8637p	0.1876p
Group 2	0.4902p	0.3735p	0.8637p	0.1876p
Z Accumulation units				
Group 1	3.5230p	–	3.5230p	1.9875p
Group 2	1.8227p	1.7003p	3.5230p	1.9875p

Distribution Tables

(continued)

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution payable 31.10.23 per unit	Distribution paid 31.10.22 per unit
Z Income units				
Group 1	0.9298p	–	0.9298p	0.5378p
Group 2	0.3385p	0.5913p	0.9298p	0.5378p

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 2022

These disclosures form part of the non-audited section of this annual report and accounts and should be read in conjunction with the Schroders plc Remuneration Report on pages 76 to 107 of the 2022 Annual Report & Accounts (available on the Group's website <https://www.schroders.com/en/investor-relations/results-and-reports/annual-report-and-accounts-2022/>), which provides more information on the activities of our Remuneration Committee and our remuneration principles and policies.

The UCITS Material Risk Takers ('UCITS MRTs') of SUTL are individuals whose roles within the Schroders Group can materially affect the risk of SUTL or any UCITS fund that it manages. These roles are identified in line with the requirements of the UCITS Directive and guidance issued by the European Securities and Markets Authority.

The Remuneration Committee of Schroders plc has established a remuneration policy to ensure the requirements of the UCITS Directive are met for all UCITS MRTs. The Remuneration Committee and the Board of Schroders plc review remuneration strategy at least annually. The directors of SUTL are responsible for the adoption of the remuneration policy and periodically reviewing its implementation in relation to SUTL. During 2022 the Remuneration Policy was reviewed to ensure compliance with the UCITS/AIFMD remuneration requirements and no significant changes were made.

The implementation of the remuneration policy is, at least annually, subject to independent internal review for compliance with the policies and procedures for remuneration adopted by the Board of SUTL and the Remuneration Committee. The most recent review found no fundamental issues but resulted in minor recommendations relating to process documentation.

The ratio of total costs to net income through the market cycle guides the total spend on remuneration each year. This is recommended by the Remuneration Committee to the Board of Schroders plc. This approach aligns remuneration with Schroders financial performance. In determining the remuneration spend each year, the underlying strength and sustainability of the business is taken into account, along with reports on risk, legal, compliance and internal audit matters from the heads of those areas.

The remuneration data that follows reflects amounts paid in respect of performance during 2022.

- The total amount of remuneration paid by SUTL to its staff was nil as SUTL has no employees. SUTL has two independent Non Executive Directors who receive fees in respect of their role on the Board of SUTL¹. Employees of other Schroders Group entities who serve as Directors of SUTL receive no additional fees in respect of their role on the Board of SUTL.
- The following disclosures relate to UCITS MRTs of SUTL. Most of those UCITS MRTs were employed by and provided services to other Schroders group companies and clients. In the interests of transparency, the aggregate remuneration figures that follow reflect the full remuneration for each SUTL UCITS MRT. The aggregate total remuneration paid to the 158 UCITS MRTs of SUTL in respect of the financial year ended 31 December 2022 is £113.41 million, of which £38.94 million was paid to senior management, and £74.47 million was paid to MRTs deemed to be taking risk on behalf of SUTL or the UCITS funds that it manages and Control Function MRTs.

For additional qualitative information on remuneration policies and practices see <https://www.schroders.com/en/global/individual/corporate-transparency/disclosures/remuneration-disclosures/>.

¹ 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

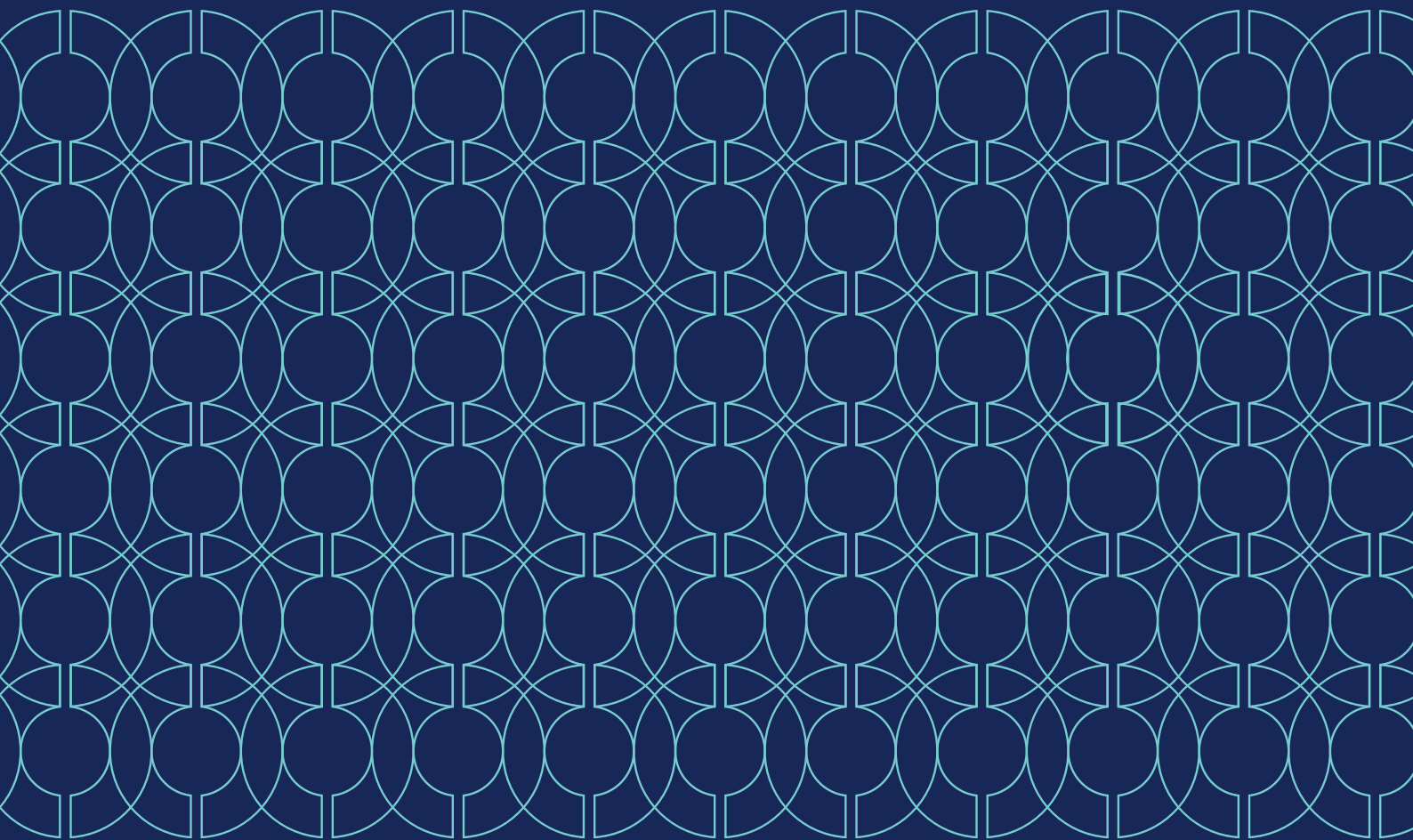
A statement on the Assessment of Value is published on the Global Fund Centre in the Fund Literature section at www.Schroders.com within 4 months of the annual 'reference date' 31 December.

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/.

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.



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