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<sup>1</sup> Collectively these comprise the Manager's report.

# Fund Information

## Investment objective and policy

The Schroder Strategic Bond Fund (the 'Fund') aims to provide income and capital growth of between 2.5% and 4.5% per annum (after fees have been deducted) over a three to five year period by investing in fixed and floating rate securities issued by governments, government agencies, supra-nationals and companies worldwide. This cannot be guaranteed and your capital is at risk.

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

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

The Fund may invest up to 50% of its assets in below investment grade securities as measured by Standard & Poor's or an equivalent credit rating agency, or in unrated securities.

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

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus). The Fund may use leverage and take short positions.

## Fund characteristics

The Fund's performance should be assessed against the income and capital growth target of between 2.5% and 4.5% per annum over a three to five year period, and compared against the Investment Association Strategic Bond sector average return. The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective. The comparator benchmark has been selected because the Investment Manager and the Manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

# Review of Investment Activities

**The Fund's performance should be assessed against the income and capital growth target of between 2.5% and 4.5% per annum over a three to five year period. From 15 June 2021 to 15 June 2022, the price of Z Accumulation units on a dealing price fell 9.33%.**

Bond markets took a volatile turn in the period. Yields and spreads rose markedly, resulting in significant negative returns. Inflationary pressures became increasingly elevated, prompting hawkish shifts from most major economy central banks and the onset of rising interest rates. The reopening of economies and easing of Covid-19 lockdown measures in 2021 presaged a sharp snap-back in demand, but also significant supply-demand imbalances. This fuelled inflationary pressures, which were exacerbated by an energy price squeeze. This was exacerbated by the war in Ukraine following Russia's invasion. Inflation indices hit multi-decade highs. The Federal Reserve raised interest rates in March, implementing its first 0.5% point hike since 2000 in early-May. The 10-year US Treasury yield rose from 1.50% to 3.29%, while the 2-year yield increased from 0.17% to 3.23%. Corporate bonds saw negative total returns and underperformed government bonds.

The portfolio generated a negative return over the period amid the fierce sell-off in bonds, but was modestly ahead of the peer group. European high yield exposure was the main detractor. European real estate and services holdings were also negative. Market conditions have been extremely challenging in the first half of 2022. Amid pronounced levels of volatility issuance has been limited and liquidity has been very low. We have made selective additions in healthcare, telecoms, utilities and services. Broadly we have favoured less cyclical sectors. As the market reached attractive levels we added long index positions using CDS in European IG and HY. The portfolio remains well diversified across sectors, with significant holdings in real estate and senior financials, non-cyclical areas (telecoms, healthcare) and areas which should benefit from economic recovery. We think real estate will benefit from inflation-linked revenues and supply-demand imbalances. High yield remains 40% of the portfolio with valuations at attractive levels, implying default rates which we think are unlikely to materialise.

We think the dramatic re-pricing seen across corporate bond markets has made them much more appealing again. Credit offers attractive yields, with the potential for a solid recovery and strong returns over the next year. The market is pricing considerable tightening, and a lot of bad economic news. Credit markets appear driven by sentiment much more than by fundamentals. Some issuers, such as in real estate are looking distinctly cheap. Although the past few months have been painful, we are confident credit has significant potential to recover with higher yields offering a cushion against volatility in the meantime. Market dispersion has increased and we have seen good quality companies impacted indiscriminately which spells opportunity. Careful bond issuer selection will be important, particularly looking for issuers with cash flows rising with inflation, or whose business models are resilient to a slowdown.

**Fund Manager:**  
**Julien Houdain**



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

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

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

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

**Fund Manager:**  
**Daniel Pearson**



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

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

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

BSc in Business Administration from Bath University and an ACCA qualification

## **Schroders' Global Fixed Income Team**

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

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

# Risk Profile

## Risk and reward indicator



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

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website [www.schroders.com](http://www.schroders.com).

# Statement of the Manager's Responsibilities

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

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

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the Collective Investment Schemes sourcebook, and for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The Manager's report and accounts for the year ended 15 June 2022 were signed on 25 August 2022 on behalf of the Manager by:

**S. Reedy**  
Directors

**P. Truscott**

# 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 Strategic Bond Fund ('the Fund') for the year ended 15 June 2022.**

The Trustee of the Schroder Strategic Bond 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  
27 June 2022

# Independent auditors' report to the Unitholders of Schroder Strategic Bond Fund

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Schroder Strategic Bond Fund (the "Fund"):

- give a true and fair view of the financial position of the Fund as at 15 June 2022 and of the net revenue and the net capital losses on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Balance Sheet as at 15 June 2022; the Statement of Total Return and the Statement of Change in Net Assets Attributable to Unitholders for the year then ended; the Distribution Tables; and the Notes to the Accounts, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Fund's ability to continue as a going concern.

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

### Reporting on other information

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

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

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

### Manager's Report

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

## Responsibilities for the financial statements and the audit

### Responsibilities of the Manager for the financial statements

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

In preparing the financial statements, the Manager is responsible for 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 the Manager either intends to wind up or terminate the Fund, or has no realistic alternative but to do so.

### Auditors' responsibilities for the audit of the financial statements

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

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



# Independent auditors' report to the Unitholders of Schroder Strategic Bond Fund (continued)

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

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

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

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

## Use of this report

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

## Other required reporting

### Opinion on matter required by the Collective Investment Schemes sourcebook

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

### Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.

## PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors  
Edinburgh  
25 August 2022

# Comparative Table

Financial year to 15 June	A Accumulation units			A Income units		
	2022 pence per unit	2021 pence per unit	2020 pence per unit	2022 pence per unit	2021 pence per unit	2020 pence per unit
<b>Change in net asset value</b>						
Opening net asset value	77.53	65.29	64.26	56.68	49.59	50.93
Return before operating charges*	(6.75)	13.19	1.98	(4.84)	9.93	1.59
Operating charges	(0.93)	(0.95)	(0.95)	(0.67)	(0.67)	(0.75)
<b>Return after operating charges*</b>	<b>(7.68)</b>	<b>12.24</b>	<b>1.03</b>	<b>(5.51)</b>	<b>9.26</b>	<b>0.84</b>
Distributions**	(2.83)	(2.89)	(2.78)	(2.05)	(2.17)	(2.18)
Retained distributions**	2.83	2.89	2.78	-	-	-
<b>Closing net asset value</b>	<b>69.85</b>	<b>77.53</b>	<b>65.29</b>	<b>49.12</b>	<b>56.68</b>	<b>49.59</b>
*after direct transaction costs of	-	-	-	-	-	-
<b>Performance</b>						
Return after charges (%)	(9.91)	18.75	1.60	(9.72)	18.67	1.65
<b>Other information</b>						
Closing net asset value (£000's)	2,600	11,706	1,417	175	91	33
Closing number of units	3,721,766	15,098,275	2,170,822	357,126	160,985	67,422
Operating charges (%)	1.20	1.20	1.45	1.20	1.20	1.45
<b>Prices</b>						
Highest dealing price	78.48p	77.75p	69.33p	57.37p	57.90p	53.85p
Lowest dealing price	70.14p	65.95p	57.86p	50.43p	50.10p	44.94p

# Comparative Table

## (continued)

Financial year to 15 June	L Accumulation units			L Income units		
	2022 pence per unit	2021 pence per unit	2020 pence per unit	2022 pence per unit	2021 pence per unit	2020 pence per unit
<b>Change in net asset value</b>						
Opening net asset value	83.59	69.94	68.26	60.70	52.80	53.82
Return before operating charges*	(7.32)	14.12	2.10	(5.22)	10.61	1.68
Operating charges	(0.46)	(0.47)	(0.42)	(0.33)	(0.35)	(0.33)
<b>Return after operating charges*</b>	<b>(7.78)</b>	<b>13.65</b>	<b>1.68</b>	<b>(5.55)</b>	<b>10.26</b>	<b>1.35</b>
Distributions**	(3.06)	(3.16)	(3.04)	(2.20)	(2.36)	(2.37)
Retained distributions**	3.06	3.16	3.04	-	-	-
<b>Closing net asset value</b>	<b>75.81</b>	<b>83.59</b>	<b>69.94</b>	<b>52.95</b>	<b>60.70</b>	<b>52.80</b>
*after direct transaction costs of	-	-	-	-	-	-
<b>Performance</b>						
Return after charges (%)	(9.31)	19.52	2.46	(9.14)	19.43	2.51
<b>Other information</b>						
Closing net asset value (£000's)	49,380	16,624	3,448	22,023	20,468	6,923
Closing number of units	65,139,228	19,887,198	4,929,565	41,593,237	33,721,069	13,113,202
Operating charges (%)	0.55	0.55	0.60	0.55	0.55	0.60
<b>Prices</b>						
Highest dealing price	84.76p	83.83p	74.07p	61.55p	62.02p	57.22p
Lowest dealing price	76.12p	70.65p	61.86p	54.36p	53.35p	47.79p

# Comparative Table (continued)

Financial year to 15 June	X Income (Quarterly) units			Z Accumulation units		
	2022 pence per unit	2021 pence per unit	2020 pence per unit	2022 pence per unit	2021 pence per unit	2020 pence per unit
<b>Change in net asset value</b>						
Opening net asset value	64.46	55.86	56.66	82.07	68.76	67.25
Return before operating charges*	(5.52)	11.15	1.75	(7.18)	13.87	2.06
Operating charges	(0.04)	(0.04)	(0.03)	(0.58)	(0.56)	(0.55)
<b>Return after operating charges*</b>	<b>(5.56)</b>	<b>11.11</b>	<b>1.72</b>	<b>(7.76)</b>	<b>13.31</b>	<b>1.51</b>
Distributions**	(2.34)	(2.51)	(2.52)	(3.00)	(3.05)	(2.92)
Retained distributions**	–	–	–	3.00	3.05	2.92
<b>Closing net asset value</b>	<b>56.56</b>	<b>64.46</b>	<b>55.86</b>	<b>74.31</b>	<b>82.07</b>	<b>68.76</b>
*after direct transaction costs of	–	–	–	–	–	–
<b>Performance</b>						
Return after charges (%)	(8.63)	19.89	3.04	(9.46)	19.36	2.25
<b>Other information</b>						
Closing net asset value (£000's)	7,539	8,837	9,972	46,321	27,424	11,763
Closing number of units	13,328,232	13,708,586	17,851,727	62,333,546	33,417,378	17,105,441
Operating charges (%)	0.05	0.05	0.05	0.70	0.70	0.80
<b>Prices</b>						
Highest dealing price	65.43p	65.20p	60.45p	83.18p	82.30p	72.87p
Lowest dealing price	57.52p	56.44p	49.90p	74.62p	69.46p	60.85p

# Comparative Table (continued)

Financial year to 15 June	Z Income units		
	2022 pence per unit	2021 pence per unit	2020 pence per unit
<b>Change in net asset value</b>			
Opening net asset value	60.15	52.37	53.43
Return before operating charges*	(5.16)	10.50	1.68
Operating charges	(0.42)	(0.42)	(0.44)
<b>Return after operating charges*</b>	<b>(5.58)</b>	<b>10.08</b>	<b>1.24</b>
Distributions**	(2.18)	(2.30)	(2.30)
<b>Closing net asset value</b>	<b>52.39</b>	<b>60.15</b>	<b>52.37</b>
*after direct transaction costs of	-	-	-
<b>Performance</b>			
Return after charges (%)	(9.28)	19.25	2.32
<b>Other information</b>			
Closing net asset value (£000's)	12,713	5,432	4,286
Closing number of units	24,265,580	9,029,668	8,184,123
Operating charges (%)	0.70	0.70	0.80
<b>Prices</b>			
Highest dealing price	60.97p	61.45p	56.75p
Lowest dealing price	53.79p	52.91p	47.39p

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

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a 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 15.6.22	Market Value £000's	% of net assets
<b>Corporate Bonds 69.33% (70.16%)</b>			
<b>Australia 0.57% (0.00%)</b>			
QBE Insurance Group FRN 5.875% 17/06/2046	1,000,000	809	0.57
		<b>809</b>	<b>0.57</b>
<b>Austria 0.35% (0.62%)</b>			
UNIQA Insurance Group FRN 3.25% 09/10/2035	600,000	486	0.35
		<b>486</b>	<b>0.35</b>
<b>Bermuda 0.84% (1.23%)</b>			
Digicel 6.75% 01/03/2023	450,000	280	0.20
Lancashire Holdings FRN 5.625% 18/09/2041	1,288,000	908	0.64
		<b>1,188</b>	<b>0.84</b>
<b>Canada 0.29% (0.00%)</b>			
Rogers Communications 4.5% 15/03/2042	552,000	401	0.29
		<b>401</b>	<b>0.29</b>
<b>Cayman Islands 0.35% (0.49%)</b>			
Global Aircraft Leasing 6.5% 15/09/2024	760,585	498	0.35
		<b>498</b>	<b>0.35</b>
<b>Chile 0.54% (0.00%)</b>			
Agrosuper 4.6% 20/01/2032	1,061,000	765	0.54
		<b>765</b>	<b>0.54</b>
<b>Czech Republic 0.43% (0.19%)</b>			
EP Infrastructure 1.659% 26/04/2024	800,000	609	0.43
		<b>609</b>	<b>0.43</b>
<b>Finland 0.14% (0.24%)</b>			
PHM Group Holding 4.75% 18/06/2026	251,000	202	0.14
		<b>202</b>	<b>0.14</b>
<b>France 4.44% (2.07%)</b>			
Quatrim 5.875% 15/01/2024	300,000	249	0.18
La Financiere Atalian 6.625% 15/05/2025	144,000	119	0.08
Getlink 3.5% 30/10/2025	212,000	176	0.12
Air France-KLM 3.875% 01/07/2026	300,000	215	0.15
Iliad Holding 6.5% 15/10/2026	249,000	190	0.13
Loxam 4.5% 15/02/2027	426,000	331	0.24
Altice France 3.375% 15/01/2028	630,000	422	0.30
CAB SELAS 3.375% 01/02/2028	367,000	267	0.19
Emeria 3.375% 31/03/2028	1,575,000	1,151	0.82

	Holding at 15.6.22	Market Value £000's	% of net assets
Iliad Holding 7% 15/10/2028	200,000	150	0.11
Altice France 5.5% 15/10/2029	566,000	380	0.27
RCI Banque FRN 2.625% 18/02/2030	1,000,000	762	0.54
La Mondiale SAM FRN 4.8% 18/01/2048	616,000	472	0.34
Electricite de France FRN 5% Perpetual	1,000,000	804	0.57
Korian FRN 4.125% Perpetual	700,000	568	0.40
		<b>6,256</b>	<b>4.44</b>
<b>Germany 5.04% (5.79%)</b>			
Tele Columbus 3.875% 02/05/2025	375,000	279	0.20
Peach Property Finance 4.375% 15/11/2025	494,000	384	0.27
Deutsche Bank FRN 4% 24/06/2026	1,300,000	1,264	0.90
Gruenenthal 3.625% 15/11/2026	491,000	391	0.28
Cheplapharm Arzneimittel 3.5% 11/02/2027	487,000	370	0.26
WEPA Hygieneprodukte 2.875% 15/12/2027	900,000	612	0.44
Cheplapharm Arzneimittel 5.5% 15/01/2028	773,000	557	0.40
Cheplapharm Arzneimittel 4.375% 15/01/2028	216,000	164	0.12
Fraport AG Frankfurt Airport Services Worldwide 1.875% 31/03/2028	1,743,000	1,309	0.93
Gruenenthal 4.125% 15/05/2028	236,000	178	0.13
Ctec II 5.25% 15/02/2030	975,000	637	0.45
Deutsche Bank FRN 4% 24/06/2032	400,000	313	0.22
Vonovia 0.75% 01/09/2032	400,000	243	0.17
Vonovia 1.625% 01/09/2051	200,000	91	0.06
Deutsche Bank FRN 6.75% 31/12/2164	200,000	159	0.11
Deutsche Bank FRN 4.625% 31/12/2164	200,000	138	0.10
		<b>7,089</b>	<b>5.04</b>
<b>Greece 0.52% (0.69%)</b>			
Piraeus Bank FRN 3.875% 03/11/2027	350,000	251	0.18
Piraeus Financial Holdings FRN 8.75% 31/12/2164	727,000	475	0.34
		<b>726</b>	<b>0.52</b>

# Portfolio Statement (continued)

	Holding at 15.6.22	Market Value £000's	% of net assets
<b>Guernsey 0.65% (1.16%)</b>			
Globalworth Real Estate Investments REIT 3% 29/03/2025	330,000	266	0.19
Globalworth Real Estate Investments REIT 2.95% 29/07/2026	300,000	222	0.16
Pershing Square Holdings 3.25% 15/11/2030	650,000	426	0.30
		<b>914</b>	<b>0.65</b>
<b>Hong Kong 0.39% (0.63%)</b>			
Lenovo Group 3.421% 02/11/2030	771,000	543	0.39
		<b>543</b>	<b>0.39</b>
<b>Ireland 0.25% (0.65%)</b>			
Permanent TSB Group Holdings FRN 3% 19/08/2031	493,000	355	0.25
		<b>355</b>	<b>0.25</b>
<b>Israel 0.76% (0.80%)</b>			
Energean Israel Finance 4.5% 30/03/2024	537,251	431	0.31
Energean Israel Finance 4.875% 30/03/2026	200,000	152	0.11
Energean Israel Finance 5.375% 30/03/2028	392,000	290	0.21
Energean Israel Finance 5.875% 30/03/2031	264,000	191	0.13
		<b>1,064</b>	<b>0.76</b>
<b>Italy 1.60% (2.78%)</b>			
Almaviva-The Italian Innovation 4.875% 30/10/2026	415,000	321	0.23
Marcolin 6.125% 15/11/2026	1,450,000	1,120	0.79
Superstrada Pedemontana Veneta 8% 30/06/2027	195,000	184	0.13
Aeroporti di Roma 1.625% 02/02/2029	127,000	90	0.06
Superstrada Pedemontana Veneta, STEP 1.662% 30/06/2047	200,000	165	0.12
UnipolSai Assicurazioni FRN 6.375% Perpetual	479,000	377	0.27
		<b>2,257</b>	<b>1.60</b>
<b>Jersey 2.51% (2.35%)</b>			
AA Bond 6.5% 31/01/2026	201,000	189	0.13
Galaxy Bidco 6.5% 31/07/2026	250,000	233	0.17
Kane Bidco 6.5% 15/02/2027	1,681,000	1,501	1.07
Galaxy Finco 9.25% 31/07/2027	637,000	609	0.43
Gatwick Funding 2.5% 15/04/2032	173,000	151	0.11

	Holding at 15.6.22	Market Value £000's	% of net assets
AA Bond 6.269% 02/07/2043	100,000	104	0.07
AA Bond 4.875% 31/07/2043	388,000	387	0.27
AA Bond 3.25% 31/07/2050	171,000	148	0.11
Gatwick Funding 2.875% 05/07/2051	300,000	214	0.15
		<b>3,536</b>	<b>2.51</b>
<b>Luxembourg 5.46% (9.18%)</b>			
Trafigura Funding 5.25% 19/03/2023	318,000	255	0.18
ADLER Group 1.5% 26/07/2024	100,000	58	0.04
Vivion Investments Sarl 3% 08/08/2024	100,000	76	0.05
ADLER Group 3.25% 05/08/2025	300,000	165	0.12
Trafigura Funding 5.875% 23/09/2025	450,000	350	0.25
Garfunkelux Holdco 3 7.75% 01/11/2025	607,000	557	0.40
Cromwell Ereit Lux Finco REIT 2.125% 19/11/2025	648,000	493	0.35
Trafigura Funding 3.875% 02/02/2026	300,000	230	0.16
Kleopatra Finco 4.25% 01/03/2026	120,000	85	0.06
Matterhorn Telecom 3.125% 15/09/2026	400,000	306	0.22
Albion Financing 1 5.25% 15/10/2026	672,000	516	0.37
ADLER Group 2.75% 13/11/2026	700,000	367	0.26
ADLER Group 2.25% 27/04/2027	200,000	98	0.07
Matterhorn Telecom 4% 15/11/2027	391,000	298	0.21
Cidron Aida Finco 6.25% 01/04/2028	487,000	411	0.29
Cidron Aida Finco 5% 01/04/2028	483,000	357	0.25
Herens Holdco 4.75% 15/05/2028	699,000	485	0.35
ADLER Group 2.25% 14/01/2029	300,000	144	0.10
BK LC Lux Finco1 5.25% 30/04/2029	402,000	290	0.21
Altice Financing 5.75% 15/08/2029	200,000	132	0.09
Altice Financing 4.25% 15/08/2029	512,000	351	0.25
MC Brazil Downstream Trading 7.25% 30/06/2031	907,000	632	0.45
CPI Property Group FRN 5.8% Perpetual	2,000,000	1,029	0.73
		<b>7,685</b>	<b>5.46</b>

# Portfolio Statement (continued)

	Holding at 15.6.22	Market Value £000's	% of net assets
<b>Mexico 1.20% (0.82%)</b>			
Total Play Telecomunicaciones 7.5% 12/11/2025	400,000	297	0.21
Total Play Telecomunicaciones 7.5% 12/11/2025	200,000	150	0.11
Electricidad Firme de Mexico Holdings 4.9% 20/11/2026	222,000	151	0.11
Total Play Telecomunicaciones 6.375% 20/09/2028	250,000	168	0.12
America Movil 5.375% 04/04/2032	1,266,000	921	0.65
		<b>1,687</b>	<b>1.20</b>
<b>Netherlands 7.17% (2.38%)</b>			
Wizz Air Finance 1.35% 19/01/2024	326,000	264	0.19
Enel Finance International 4.25% 15/06/2025	945,000	771	0.55
IPD 3 5.5% 01/12/2025	369,000	297	0.21
Compact Bidco 5.75% 01/05/2026	1,060,000	676	0.48
ING Groep FRN 2.125% 23/05/2026	1,000,000	836	0.59
Q-Park Holding I 2% 01/03/2027	400,000	285	0.20
Teva Pharmaceutical Finance Netherlands II 3.75% 09/05/2027	473,000	342	0.24
Teva Pharmaceutical Finance Netherlands III 4.75% 09/05/2027	750,000	531	0.38
Coloplast Finance 2.25% 19/05/2027	392,000	326	0.23
United Group 4% 15/11/2027	1,139,000	773	0.55
United Group 4.625% 15/08/2028	151,000	104	0.07
VIA Outlets 1.75% 15/11/2028	441,000	319	0.23
Coloplast Finance 2.75% 19/05/2030	378,000	313	0.22
Enel Finance International 5% 15/06/2032	689,000	544	0.39
American Medical Systems Europe 1.875% 08/03/2034	345,000	246	0.17
Enel Finance International 5.5% 15/06/2052	826,000	626	0.44
de Volksbank FRN 7% 31/12/2164	1,400,000	1,175	0.84
Iberdrola International FRN 2.25% Perpetual	200,000	138	0.10
Stichting AK Rabobank Certificaten, STEP 6.5% Perpetual	300,000	254	0.18

	Holding at 15.6.22	Market Value £000's	% of net assets
<b>Volkswagen International Finance FRN 3.748% Perpetual</b>			
	700,000	532	0.38
<b>Wintershall Dea Finance 2 FRN 2.499% Perpetual</b>			
	1,100,000	744	0.53
		<b>10,096</b>	<b>7.17</b>
<b>Norway 0.20% (0.78%)</b>			
Explorer II 3.375% 24/02/2025	405,000	277	0.20
		<b>277</b>	<b>0.20</b>
<b>Panama 0.49% (0.77%)</b>			
AES Panama Generation Holdings SRL 4.375% 31/05/2030	950,000	686	0.49
		<b>686</b>	<b>0.49</b>
<b>Poland 0.56% (0.00%)</b>			
mBank FRN 0.966% 21/09/2027	1,100,000	790	0.56
		<b>790</b>	<b>0.56</b>
<b>Portugal 0.41% (0.67%)</b>			
Cia de Seguros Fidelidade FRN 4.25% 04/09/2031	400,000	325	0.23
Novo Banco 0% 03/04/2048	1,000,000	254	0.18
		<b>579</b>	<b>0.41</b>
<b>Singapore 0.00% (0.76%)</b>			
<b>Spain 2.12% (0.00%)</b>			
Ibercaja Banco FRN 3.75% 15/06/2025	1,200,000	1,022	0.73
Banco de Sabadell FRN 2.625% 24/03/2026	300,000	245	0.17
Grifols 2.25% 15/11/2027	1,600,000	1,161	0.82
Unicaja Banco FRN 4.875% 31/12/2164	800,000	557	0.40
		<b>2,985</b>	<b>2.12</b>
<b>Supranational 1.13% (1.30%)</b>			
ATP Tower Holdings 4.05% 27/04/2026	900,000	640	0.45
Ardagh Metal Packaging Finance USA 6% 15/06/2027	256,000	207	0.15
Allied Universal Holdco 4.875% 01/06/2028	784,000	631	0.45
Delta Air Lines 4.75% 20/10/2028	142,000	114	0.08
		<b>1,592</b>	<b>1.13</b>
<b>Sweden 0.66% (1.71%)</b>			
Alfa Laval Treasury International 0.875% 18/02/2026	622,000	489	0.35
Heimstaden 4.25% 09/03/2026	400,000	298	0.21



# Portfolio Statement (continued)

	Holding at 15.6.22	Market Value £000's	% of net assets
Verisure Holding 3.25% 15/02/2027	200,000	147	0.10
		<b>934</b>	<b>0.66</b>
<b>Switzerland 0.87% (1.21%)</b>			
UBS Group FRN 4.875% 31/12/2164	666,000	475	0.34
Aryzta FRN 5.34% Perpetual	365,000	272	0.19
UBS Group FRN 3.875% Perpetual	686,000	473	0.34
		<b>1,220</b>	<b>0.87</b>
<b>Turkey 0.35% (0.00%)</b>			
Limak Iskenderun Uluslararası Liman İsletmeciliği 9.5% 10/07/2036	700,000	489	0.35
		<b>489</b>	<b>0.35</b>
<b>United Kingdom 18.19% (24.51%)</b>			
Intermediate Capital Group 5% 24/03/2023	234,000	235	0.17
Saga 3.375% 12/05/2024	209,000	184	0.13
Energia Group NI FinanceCo 4.75% 15/09/2024	350,000	327	0.23
TalkTalk Telecom Group 3.875% 20/02/2025	2,078,000	1,766	1.25
Neptune Energy Bondco 6.625% 15/05/2025	500,000	404	0.29
Neptune Energy Bondco 6.625% 15/05/2025	400,000	323	0.23
Stonegate Pub Co. Financing 2019 8.25% 31/07/2025	280,000	265	0.19
Metro Bank FRN 9.5% 08/10/2025	100,000	84	0.06
eG Global Finance 8.5% 30/10/2025	300,000	243	0.17
eG Global Finance 6.25% 30/10/2025	152,000	121	0.09
Jerrold Finco 4.875% 15/01/2026	100,000	91	0.06
Bellis Acquisition 3.25% 16/02/2026	400,000	331	0.23
TP ICAP Finance 5.25% 29/05/2026	158,000	155	0.11
Tritax EuroBox 0.95% 02/06/2026	209,000	160	0.11
Punch Finance 6.125% 30/06/2026	378,000	333	0.24
Saga 5.5% 15/07/2026	668,000	585	0.41
Victoria 3.625% 24/08/2026	260,000	188	0.13
PeopleCert Wisdom Issuer 5.75% 15/09/2026	402,000	325	0.23
Endeavour Mining 5% 14/10/2026	1,374,000	981	0.70

	Holding at 15.6.22	Market Value £000's	% of net assets
Harbour Energy 5.5% 15/10/2026	568,000	442	0.31
Harbour Energy 5.5% 15/10/2026	369,000	287	0.20
Jerrold Finco 5.25% 15/01/2027	654,000	591	0.42
Intermediate Capital Group 1.625% 17/02/2027	931,000	684	0.49
Deuce Finco 5.5% 15/06/2027	328,000	263	0.19
Pinewood Finance 3.625% 15/11/2027	1,227,000	1,051	0.75
Quilter FRN 4.478% 28/02/2028	500,000	496	0.35
Metro Bank FRN 5.5% 26/06/2028	163,000	98	0.07
Investec Bank FRN 4.25% 24/07/2028	250,000	248	0.18
InterContinental Hotels Group 3.375% 08/10/2028	239,000	224	0.16
BCP V Modular Services Finance II 6.125% 30/11/2028	133,000	109	0.08
BCP V Modular Services Finance II 4.75% 30/11/2028	550,000	394	0.28
Mitchells & Butlers Finance FRN 1.85% 15/12/2028	138,184	129	0.09
Vmed O2 UK Financing I 4% 31/01/2029	400,000	327	0.23
Student Finance 2.666% 30/09/2029	160,000	155	0.11
Liberty Living Finance 3.375% 28/11/2029	500,000	469	0.33
Virgin Media Secured Finance 4.25% 15/01/2030	1,046,000	867	0.62
Intermediate Capital Group 2.5% 28/01/2030	1,100,000	739	0.52
Pearson Funding 3.75% 04/06/2030	500,000	474	0.34
Virgin Media Secured Finance 4.125% 15/08/2030	100,000	83	0.06
Virgin Money UK FRN 5.125% 11/12/2030	227,000	222	0.16
Mitchells & Butlers Finance 5.574% 15/12/2030	311,579	329	0.23
Mitchells & Butlers Finance FRN 2.279% 15/12/2030	339,835	258	0.18
Whitbread Group 3% 31/05/2031	739,000	635	0.45
Vmed O2 UK Financing I 4.5% 15/07/2031	200,000	164	0.12
Berkeley Group 2.5% 11/08/2031	366,000	277	0.20

# Portfolio Statement (continued)

	Holding at 15.6.22	Market Value £000's	% of net assets		Holding at 15.6.22	Market Value £000's	% of net assets
Phoenix Group Holdings FRN 4.75% 04/09/2031	1,510,000	1,184	0.84	Millennium Escrow 6.625% 01/08/2026	566,000	408	0.29
Close Brothers Group FRN 2% 11/09/2031	314,000	277	0.20	New Fortress Energy 6.5% 30/09/2026	600,000	460	0.33
Greene King Finance 5.318% 15/09/2031	119,806	124	0.09	American Express 2.55% 04/03/2027	1,322,000	1,005	0.71
NatWest Group FRN 2.105% 28/11/2031	528,000	460	0.33	Northwest Fiber 4.75% 30/04/2027	936,000	657	0.47
Utmost Group 4% 15/12/2031	466,000	380	0.27	Frontier Communications Holdings 5.875% 15/10/2027	1,241,000	941	0.67
Investec FRN 2.625% 04/01/2032	792,000	689	0.49	Sotheby's 7.375% 15/10/2027	379,000	299	0.21
Telereal Securitisation 1.366% 10/12/2033	259,639	235	0.17	Bristow Group 6.875% 01/03/2028	318,000	246	0.18
Greene King Finance FRN 3.655% 15/12/2033	411,555	411	0.29	Organon 2.875% 30/04/2028	800,000	591	0.42
Greene King Finance 5.106% 15/03/2034	169,073	171	0.12	Organon 4.125% 30/04/2028	300,000	221	0.16
Greene King Finance FRN 2.955% 15/12/2034	120,000	97	0.07	Frontier Communications Holdings 5% 01/05/2028	412,000	298	0.21
Greene King Finance 3.593% 15/03/2035	285,000	268	0.19	Consolidated Communications 6.5% 01/10/2028	1,491,000	1,074	0.76
Manchester Airport Group Funding 2.875% 30/09/2044	240,000	181	0.13	Gap 3.625% 01/10/2029	44,000	26	0.02
RL Finance Bonds NO 4 FRN 4.875% 07/10/2049	407,000	338	0.24	180 Medical 3.875% 15/10/2029	200,000	144	0.10
Channel Link Enterprises Finance FRN 2.706% 30/06/2050	400,000	321	0.23	MPT Operating Partnership REIT 3.375% 24/04/2030	230,000	188	0.13
M&G FRN 6.34% 19/12/2063	200,000	190	0.13	Frontier Communications Holdings 8.75% 15/05/2030	550,000	465	0.33
abrdn FRN 5.25% 31/12/2164	200,000	181	0.13	Netflix 3.625% 15/06/2030	1,460,000	1,090	0.77
Just Group FRN 5% 31/12/2164	200,000	152	0.11	National Health Investors REIT 3% 01/02/2031	850,000	536	0.38
OSB Group FRN 6% 31/12/2164	313,000	290	0.21	Citigroup FRN 4.91% 24/05/2033	1,293,000	1,041	0.74
BUPA Finance FRN 4% Perpetual	554,000	402	0.28	Charter Communications Operating 3.7% 01/04/2051	100,000	56	0.04
HSBC Holdings FRN 6% Perpetual	300,000	229	0.16	Magallanes 5.141% 15/03/2052	616,000	427	0.30
HSBC Holdings FRN 6.375% Perpetual	400,000	321	0.23	Oracle 4.1% 25/03/2061	756,000	444	0.32
HSBC Holdings FRN 4.6% Perpetual	256,000	166	0.12	Lowe's 4.45% 01/04/2062	745,000	518	0.37
Investec FRN 6.75% Perpetual	796,000	740	0.53	JPMorgan Chase FRN 3.65% 31/12/2164	2,755,000	1,917	1.36
Nationwide Building Society 5.75% Perpetual	731,000	673	0.48	AT&T FRN 2.875% Perpetual	100,000	79	0.06
		<b>25,596</b>	<b>18.19</b>	Energy Transfer FRN 6.25% Perpetual	1,183,000	774	0.55
<b>United States of America 10.85% (6.38%)</b>					<b>15,267</b>	<b>10.85</b>	
PBF Holding 9.25% 15/05/2025	800,000	693	0.49	<b>Corporate Bonds total</b>			
TripAdvisor 7% 15/07/2025	70,000	57	0.04		<b>97,581</b>	<b>69.33</b>	
Rayonier AM Products 7.625% 15/01/2026	513,000	376	0.27				
Kosmos Energy 7.125% 04/04/2026	300,000	236	0.17				

# Portfolio Statement (continued)

	Holding at 15.6.22	Market Value £000's	% of net assets
<b>Government Bonds 18.45% (11.04%)</b>			
<b>Chile 0.00% (0.72%)</b>			
<b>Italy 0.00% (0.00%)</b>			
Italy Buoni Poliennali Del Tesoro 3.25% 01/03/2038 <sup>^</sup>	–	0	0.00
		<b>0</b>	<b>0.00</b>
<b>Mexico 1.45% (0.00%)</b>			
Mexico Government Bond 2.25% 12/08/2036	3,302,000	2,040	1.45
		<b>2,040</b>	<b>1.45</b>
<b>United Kingdom 14.31% (10.32%)</b>			
UK Treasury Bill 0% 20/06/2022	4,331,405	4,331	3.08
UK Treasury Bill 0% 25/07/2022	3,611,936	3,608	2.56
UK Treasury Bill 0% 05/09/2022	5,000,000	4,987	3.54
UK Treasury Bill 0% 24/10/2022	7,248,735	7,213	5.13
		<b>20,139</b>	<b>14.31</b>
<b>United States of America 2.69% (0.00%)</b>			
US Treasury 2.5% 31/05/2024	4,646,800	3,789	2.69
		<b>3,789</b>	<b>2.69</b>
<b>Government Bonds total</b>		<b>25,968</b>	<b>18.45</b>
<b>Collective Investment Schemes 8.49% (7.33%)</b>			
<b>European Fixed Interest Funds 8.49% (0.00%)</b>			
Schroder ISF EURO Corporate Bond Fund - Class I Accumulation EUR <sup>^†</sup>	444,424	9,991	7.10
Schroder ISF EURO High Yield Fund - Class I Accumulation EUR <sup>^†</sup>	14,372	1,963	1.39
		<b>11,954</b>	<b>8.49</b>
<b>Global Fixed Interest Funds 0.00% (7.33%)</b>			
<b>Collective Investment Schemes total</b>		<b>11,954</b>	<b>8.49</b>
<b>Convertible Bonds 1.35% (1.75%)</b>			
<b>Austria 1.09% (1.56%)</b>			
ams-OSRAM 0% 05/03/2025	1,200,000	813	0.58
ams-OSRAM 2.13% 03/11/2027	1,100,000	717	0.51
		<b>1,530</b>	<b>1.09</b>
<b>Germany 0.18% (0.00%)</b>			
Consus Real Estate 4% 29/11/2022	400,000	248	0.18
		<b>248</b>	<b>0.18</b>

	Holding at 15.6.22	Market Value £000's	% of net assets
<b>Luxembourg 0.08% (0.19%)</b>			
ADLER Group 2% 23/11/2023	200,000	121	0.08
		<b>121</b>	<b>0.08</b>
<b>Convertible Bonds total</b>		<b>1,899</b>	<b>1.35</b>
<b>Forward Foreign Currency Contracts (1.99)% (0.07%)</b>			
Buy EUR 1,989,637			
Sell GBP 1,698,428 29/06/2022		27	0.02
Buy EUR 1,205,000			
Sell GBP 1,046,812 29/06/2022		(2)	0.00
Buy USD 11,582,713			
Sell GBP 9,276,745 29/06/2022		302	0.22
Buy USD 1,496,000			
Sell GBP 1,246,146 29/06/2022		(9)	(0.01)
Sell CHF 342,144			
Buy GBP 282,808 29/06/2022		(1)	0.00
Sell EUR 49,539,481			
Buy GBP 41,886,575 29/06/2022		(1,085)	(0.77)
Sell EUR 18,031,823			
Buy GBP 15,315,695 27/07/2022		(348)	(0.25)
Sell SGD 1,766,020			
Buy GBP 1,025,384 27/07/2022		(25)	(0.02)
Sell USD 45,348,390			
Buy GBP 36,135,170 29/06/2022		(1,365)	(0.97)
Sell USD 14,032,041			
Buy GBP 11,305,859 27/07/2022		(293)	(0.21)
<b>Forward Foreign Currency Contracts total</b>		<b>(2,799)</b>	<b>(1.99)</b>
<b>Futures (0.69)% ((0.02)%)</b>			
Euro-Bobl September 2022	(197)	576	0.41
Euro-Bund September 2022	79	(508)	(0.36)
Euro-buxl 30 Year Bond September 2022	9	(76)	(0.05)
Euro-OAT September 2022	(27)	157	0.11
Euro-Schatz September 2022	(182)	174	0.12
Japan 10 Year Bond September 2022	(10)	221	0.16
Long Gilt September 2022	(35)	193	0.14
US 2 Year Note September 2022	(162)	407	0.29
US 5 Year Note September 2022	550	(1,197)	(0.85)
US 10 Year Note September 2022	436	(1,912)	(1.36)
US 10 Year Ultra Bond September 2022	(128)	704	0.50
US Long Bond September 2022	(53)	371	0.26
US Ultra Bond September 2022	15	(85)	(0.06)
<b>Futures total</b>		<b>(975)</b>	<b>(0.69)</b>

# Portfolio Statement (continued)

	Holding at 15.6.22	Market Value £000's	% of net assets		Holding at 15.6.22	Market Value £000's	% of net assets
<b>Swaps (0.32)% ((0.59)%)</b>				Credit Default Swap BNP Paribas Sell Altice France 5.875% 01/02/2027 20/12/2025	665,000	8	0.00
Credit Default Swap Barclays Buy Republic of Korea 2.75% 19/01/2027 20/12/2026	753,498	(15)	(0.01)	Credit Default Swap BNP Paribas Sell Tesco 6.125% 24/02/2022 20/12/2025	283,000	(1)	0.00
Credit Default Swap BNP Paribas Buy Republic of Korea 2.75% 19/01/2027 20/12/2026	1,506,997	(30)	(0.02)	Credit Default Swap BNP Paribas Sell TUI Group 5% 16/04/2028 20/06/2026	222,727	(27)	(0.02)
Credit Default Swap Morgan Stanley Buy ITRAXX.EUROPE. CROSSOVER.37-V1 20/06/2027	8,351,000	(75)	(0.05)	Credit Default Swap J.P. Morgan Sell TUI Group 5% 16/04/2028 20/06/2026	127,273	(16)	(0.01)
Credit Default Swap J.P. Morgan Sell British Telecommunications 5.75% 07/12/2028 20/12/2024	750,000	5	0.00	Credit Default Swap J.P. Morgan Sell CMA CGM 6.5% 15/07/2022 20/06/2026	500,000	1	0.00
Credit Default Swap Citigroup Sell Tesco 6.125% 24/02/2022 20/12/2024	344,828	1	0.00	Credit Default Swap Barclays Sell CMA CGM 7.5% 15/01/2026 20/06/2026	400,000	1	0.00
Credit Default Swap Goldman Sachs Sell Tesco 6.125% 24/02/2022 20/12/2024	476,190	1	0.00	Credit Default Swap J.P. Morgan Sell CMA CGM 7.5% 15/01/2026 20/12/2026	250,000	(1)	0.00
Credit Default Swap Barclays Sell ADLER Real Estate 1.5% 06/12/2021 20/12/2025	330,000	(58)	(0.04)	Credit Default Swap Barclays Sell Faurecia 3.125% 15/06/2026 20/06/2027	320,000	(5)	0.00
Credit Default Swap Goldman Sachs Sell AT&T 3.8% 15/02/2027 20/12/2025	570,000	0	0.00	Credit Default Swap BNP Paribas Sell Faurecia 3.125% 15/06/2026 20/06/2027	480,000	(7)	(0.01)
Credit Default Swap Barclays Sell Anglo American Capital 4.125% 15/04/2021 20/12/2025	750,000	82	0.06	Credit Default Swap Credit Suisse Sell TUI 5% 16/04/2028 20/06/2027	500,000	(72)	(0.05)
Credit Default Swap BNP Paribas Sell NEXT 5.375% 26/10/2021 20/12/2025	220,000	(5)	0.00	Credit Default Swap Morgan Stanley Sell ITRAXX.EUROPE. MAIN.37-V1 20/06/2032	8,703,000	(223)	(0.16)
Credit Default Swap Credit Suisse Sell NEXT 5.375% 26/10/2021 20/12/2025	600,000	(13)	(0.01)	<b>Swaps total</b>		<b>(449)</b>	<b>(0.32)</b>
				<b>Portfolio of investments</b>		<b>133,179</b>	<b>94.62</b>
				<b>Net other assets</b>		<b>7,572</b>	<b>5.38</b>
				<b>Net assets attributable to unitholders</b>		<b>140,751</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 15 June 2021.

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

^ Unlisted, suspended or delisted security.

† A related party to the Fund (Note 13).

# Statement of Total Return

For the year ended 15 June 2022

		2022	2021
	Notes	£000's	£000's
Income			
Net capital (losses)/gains	2	(18,248)	5,840
Revenue	3	4,720	2,118
Expenses	4	(773)	(308)
Net revenue before taxation		3,947	1,810
Taxation	5	(53)	(19)
Net revenue after taxation		3,894	1,791
Total return before distributions		(14,354)	7,631
Distributions	6	(4,657)	(2,053)
Change in net assets attributable to unitholders from investment activities		(19,011)	5,578

# Statement of Change in Net Assets Attributable to Unitholders

For the year ended 15 June 2022

	2022	2021
	£000's	£000's
Opening net assets attributable to unitholders	90,582	37,842
Amounts receivable on issue of units	94,430	74,201
Amounts payable on cancellation of units	(29,146)	(28,690)
	<b>65,284</b>	<b>45,511</b>
Dilution adjustment	139	261
Change in net assets attributable to unitholders from investment activities	(19,011)	5,578
Retained distribution on Accumulation units	3,757	1,390
<b>Closing net assets attributable to unitholders</b>	<b>140,751</b>	<b>90,582</b>

# Balance Sheet

As at 15 June 2022

		2022	2021
	Notes	£000's	£000's
Assets			
Investments		140,633	82,385
Current assets			
Debtors	8	3,148	4,007
Cash and bank balances	9	7,053	8,813
Total assets		150,834	95,205
Liabilities			
Investment liabilities		(7,454)	(1,095)
Creditors			
Bank overdrafts	10	(447)	(121)
Distributions payable		(883)	(564)
Other creditors	11	(1,299)	(2,843)
Total liabilities		(10,083)	(4,623)
Net assets attributable to unitholders		140,751	90,582

# Notes to the Accounts

## For the year ended 15 June 2022

### 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)).

#### Revenue

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.

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.

#### 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 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 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, the Fund allocates certain expenses to capital, thereby increasing the amount available for 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. Non-exchange traded derivatives, including swaps and contracts for difference, are priced at fair value using valuation models and data sourced from market data providers and/or information provided by the relevant third party brokers.

#### 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.

#### Credit default swaps

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

### 2 Net capital (losses)/gains

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

	2022 £000's	2021 £000's
Non-derivative securities	(12,123)	3,469
Derivative contracts	(634)	148
Forward foreign currency contracts	(5,509)	2,196
Foreign currency gains	20	39
Transaction costs	(2)	(12)
<b>Net capital (losses)/gains</b>	<b>(18,248)</b>	<b>5,840</b>

# Notes to the Accounts

## For the year ended 15 June 2022 (continued)

### 3 Revenue

	2022	2021
	£000's	£000's
Unfranked distributions	12	–
Interest on debt securities	4,131	2,034
Bank interest	2	–
Net revenue return from derivative contracts	575	84
<b>Total revenue</b>	<b>4,720</b>	<b>2,118</b>

### 4 Expenses

	2022	2021
	£000's	£000's
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Annual management charge	–	116
Administration charge	–	27
Schroders Annual Charge <sup>1,2</sup>	763	146
	<b>763</b>	<b>289</b>
<b>Payable to the Trustee, associates of the Trustee and agents of either of them:</b>		
Trustee's fees	–	3
Safe custody fees	(1)	1
	<b>(1)</b>	<b>4</b>
<b>Other expenses:</b>		
Audit fee <sup>2</sup>	–	10
Professional fee	1	3
Interest payable	10	2
	<b>11</b>	<b>15</b>
<b>Total expenses</b>	<b>773</b>	<b>308</b>

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

2 Audit fees including VAT for the financial year ending 2022 were £12,607 (2021 – £12,607).

### 5 Taxation

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

#### (a) Analysis of the tax charge for the year

	2022	2021
	£000's	£000's
Overseas withholding tax	53	19
<b>Total current tax (Note 5(b))</b>	<b>53</b>	<b>19</b>

# Notes to the Accounts

## For the year ended 15 June 2022 (continued)

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

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

	2022 £000's	2021 £000's
<b>Net revenue before taxation</b>	<b>3,947</b>	<b>1,810</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	789	362
<b>Effects of:</b>		
Interest distributions deductible for tax purposes	(789)	(362)
Overseas withholding tax	53	19
<b>Current tax charge for the year (Note 5(a))</b>	<b>53</b>	<b>19</b>

## 6 Distributions

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

	2022 £000's	2021 £000's
Quarterly Dividend distribution	71	98
Interim Dividend distribution	2,119	864
Quarterly Dividend distribution	73	90
Final Dividend distribution	3,049	1,586
	<b>5,312</b>	<b>2,638</b>
Add: Revenue deducted on cancellation of units	210	313
Deduct: Revenue received on issue of units	(865)	(898)
<b>Distributions</b>	<b>4,657</b>	<b>2,053</b>
Net revenue after taxation	3,894	1,791
Expenses taken to capital	763	262
<b>Distributions</b>	<b>4,657</b>	<b>2,053</b>

Details of the distributions per unit are set out in the Distribution Tables on pages 31 to 33.

## 7 Fair value hierarchy

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

	2022		2021	
<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	22,942	(3,778)	9,393	(68)
Level 2: Observable market data	117,691	(3,676)	72,992	(1,027)
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>140,633</b>	<b>(7,454)</b>	<b>82,385</b>	<b>(1,095)</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 June 2022 (continued)

### 8 Debtors

	2022	2021
	£000's	£000's
Amounts receivable for issue of units	112	1,221
Sales awaiting settlement	1,637	2,113
Amounts receivable on derivative contracts	158	34
Accrued revenue	1,240	638
Prepaid expenses	–	1
Overseas withholding tax recoverable	1	–
<b>Total debtors</b>	<b>3,148</b>	<b>4,007</b>

### 9 Cash and bank balances

	2022	2021
	£000's	£000's
Cash and bank balances	2,452	7,198
Amounts held at futures clearing houses and brokers	4,601	1,615
<b>Total cash and bank balances</b>	<b>7,053</b>	<b>8,813</b>

### 10 Bank overdrafts

	2022	2021
	£000's	£000's
Amounts overdrawn at futures clearing houses and brokers	447	121
<b>Total bank overdrafts</b>	<b>447</b>	<b>121</b>

### 11 Other creditors

	2022	2021
	£000's	£000's
Amounts payable for cancellation of units	696	1,390
Purchases awaiting settlement	492	1,371
Accrued expenses	111	82
<b>Total other creditors</b>	<b>1,299</b>	<b>2,843</b>

### 12 Contingent liabilities

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

### 13 Related party transactions

The Manager exercises control over the Fund and is therefore a related party by virtue of its controlling influence.

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 received 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 5.62% (2021 – 10.29%).

Related party holdings are disclosed in the Portfolio Statement.

### 14 Unit classes

At the reporting date the Fund had seven 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 Fund may invest in shares of collective investment schemes. The maximum level of Management fee that may be charged to the Fund for these underlying Funds is 3% of its net asset value.

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 pages 31 to 33.

# Notes to the Accounts

## For the year ended 15 June 2022 (continued)

### 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.

#### 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.

#### Interest rate risk

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

The Fund may invest in fixed and floating rate securities. The revenue of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the 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 and foreign currency bank balances and amounts held or overdrawn at futures clearing houses and brokers bear interest at rates based on the Sterling Overnight Index Average Rate or its international equivalent.

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

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

#### Fair value of financial assets and financial liabilities

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

#### Derivatives

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

#### Global risk exposure

##### Absolute VaR approach

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

##### Regulatory VaR limit utilisation

2022			2021		
Lowest	Highest	Average	Lowest	Highest	Average
8.54%	21.47%	13.00%	11.43%	33.23%	23.51%

# Notes to the Accounts

## For the year ended 15 June 2022 (continued)

### Information on VaR model

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

### Leverage

#### Information on the limit usage and level of leverage

The level of leverage is an indication of the derivative usage and of any leverage generated by the reinvestment of cash received as collateral when using efficient portfolio management techniques. It does not take into account other physical assets directly held in the portfolio of the Fund. The figure is not representative of the maximum amount that a fund could lose, as it includes the derivatives used to protect the Net Asset Value of a fund as well as the derivatives backed by risk free assets and derivatives which do not generate any incremental exposure, leverage or market risk from an economic perspective. The reported leverage figure is therefore not a true representation of the economic leverage<sup>1</sup> in the Fund.

The level of leverage disclosed is based on the total notional value<sup>2</sup> of all derivative instruments held by a Fund and is expressed as a percentage of the Fund's Net Asset Value. For the purpose of this calculation the holdings and offset derivative positions (long and short positions) do not cancel each other out and the figure is a sum of the total holdings.

### Leverage

2022				2021			
Lowest	Highest	Average	Leverage 15 June	Lowest	Highest	Average	Leverage 15 June
90.41%	334.56%	162.66%	227.98%	16.36%	377.22%	136.63%	37.31%

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

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

## 16 Debt security credit analysis

	2022 £000's	2021 £000's
Investment grade securities	56,546	29,484
Below investment grade securities	58,870	36,898
Unrated securities	10,032	8,766
<b>Total debt securities</b>	<b>125,448</b>	<b>75,148</b>

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

## 17 Direct transaction costs

No transaction costs on the purchase or sale of investments were incurred by the Fund during the year or prior year. The total purchases for the year amounted to £227,826,987 (2021 – £108,756,711) and the total sales amounted to £160,281,536 (2021 – £66,392,509).

### Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.83% (2021 – 0.59%).

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

# Notes to the Accounts

## For the year ended 15 June 2022 (continued)

### 18 Units in issue reconciliation

	Number of units in issue 15.6.21	Number of units issued	Number of units cancelled	Number of units converted	Number of units in issue 15.6.22
A Accumulation units	15,098,275	2,760,187	(14,136,696)	–	3,721,766
A Income units	160,985	324,056	(127,915)	–	357,126
L Accumulation units	19,887,198	50,409,752	(5,149,627)	(8,095)	65,139,228
L Income units	33,721,069	13,822,535	(5,938,912)	(11,455)	41,593,237
X Income (Quarterly) units	13,708,586	234,558	(614,912)	–	13,328,232
Z Accumulation units	33,417,378	37,890,966	(8,978,575)	3,777	62,333,546
Z Income units	9,029,668	20,247,993	(5,029,755)	17,674	24,265,580

### 19 Counterparty exposure

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

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
<b>Bank of America</b>										
2022	(518)	–	–	–	–	–	–	–	–	(518)
2021	(3)	–	–	–	–	–	–	–	–	(3)
<b>Barclays</b>										
2022	(50)	5	–	–	–	–	–	–	–	(45)
2021	1	186	–	–	–	–	–	–	–	187
<b>BNP Paribas</b>										
2022	12	(62)	–	–	–	–	–	–	–	(50)
2021	43	(28)	–	–	–	–	–	–	–	15
<b>Canadian Imperial Bank of Commerce</b>										
2022	139	–	–	–	–	–	–	–	–	139
2021	–	–	–	–	–	–	–	–	–	–
<b>Citigroup</b>										
2022	(25)	1	–	–	–	–	–	–	–	(24)
2021	–	1	–	–	–	–	–	–	–	1
<b>Credit Suisse</b>										
2022	–	(85)	–	–	–	–	–	–	–	(85)
2021	–	(13)	–	–	–	–	–	–	–	(13)
<b>Deutsche Bank</b>										
2022	–	–	–	–	–	–	–	–	–	–
2021	2	–	–	–	–	–	–	–	–	2
<b>Goldman Sachs</b>										
2022	–	1	–	–	–	–	–	–	–	1
2021	(60)	16	–	–	–	–	–	–	–	(44)
<b>HSBC</b>										
2022	5	–	–	–	–	–	–	–	–	5
2021	8	–	–	–	–	–	–	–	–	8
<b>J.P. Morgan</b>										
2022	(857)	(11)	–	–	–	–	–	–	–	(868)
2021	–	5	–	–	–	–	–	–	–	5

# Notes to the Accounts

## For the year ended 15 June 2022 (continued)

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
<b>Morgan Stanley</b>										
2022	(593)	(298)	-	-	-	-	-	-	-	(891)
2021	80	(717)	-	-	-	-	11	-	-	(626)
<b>RBC</b>										
2022	(18)	-	-	-	-	-	-	-	-	(18)
2021	-	-	-	-	-	-	-	-	-	-
<b>State Street</b>										
2022	(111)	-	-	-	-	-	-	-	-	(111)
2021	(6)	-	-	-	-	-	-	-	-	(6)
<b>UBS</b>										
2022	(783)	-	-	-	-	-	-	-	-	(783)
2021	1	-	-	-	-	-	-	-	-	1

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

Counterparty	2022 £000's	2021 £000's
Morgan Stanley	(1,148)	(1,078)
<b>Total</b>	<b>(1,148)</b>	<b>(1,078)</b>

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

	2022 £000's	2021 £000's
Cash	(1,148)	(1,078)
<b>Total</b>	<b>(1,148)</b>	<b>(1,078)</b>

## 20 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 15 June 2022, the price of each unit class has changed as follows:

	Dealing price 22.8.22	Dealing price 15.6.22	% change
A Accumulation units	71.68p	70.14p	2.20
A Income units	50.40p	50.43p	(0.06)
L Accumulation units	77.89p	76.12p	2.33
L Income units	54.40p	54.36p	0.07
X Income (Quarterly) units	58.17p	57.52p	1.13
Z Accumulation units	76.33p	74.62p	2.29
Z Income units	53.82p	53.79p	0.06

# Securities Financing Transactions

The Fund has not engaged in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, these include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions, margin lending transactions and Total Return Swaps). Accordingly, disclosures required by Article 13 of the Regulation are not applicable for the accounting year ended 15 June 2022.

# Distribution Tables

## Quarterly distribution for the three months ended 15 September 2021

**Group 1** Units purchased prior to 16 June 2021

**Group 2** Units purchased on or after 16 June 2021

	Net revenue 2021 per unit	Equalisation 2021 per unit	Distribution paid 15.11.21 per unit	Distribution paid 15.11.20 per unit
<b>X Income (Quarterly) units</b>				
Group 1	0.5357p	–	0.5357p	0.6263p
Group 2	0.5357p	–	0.5357p	0.6263p

## Interim distribution for the three months ended 15 December 2021

**Group 1** Units purchased prior to 16 September 2021

**Group 2** Units purchased on or after 16 September 2021

	Net revenue 2021 per unit	Equalisation 2021 per unit	Distribution paid 15.2.22 per unit	Distribution paid 15.2.21 per unit
<b>X Income (Quarterly) units</b>				
Group 1	0.5338p	–	0.5338p	0.6715p
Group 2	0.5338p	–	0.5338p	0.6715p

## Quarterly distribution for the three months ended 15 March 2022

**Group 1** Units purchased prior to 16 December 2021

**Group 2** Units purchased on or after 16 December 2021

	Net revenue 2022 per unit	Equalisation 2022 per unit	Distribution paid 15.5.22 per unit	Distribution paid 15.5.21 per unit
<b>X Income (Quarterly) units</b>				
Group 1	0.5448p	–	0.5448p	0.6581p
Group 2	0.3374p	0.2074p	0.5448p	0.6581p

## Final distribution for the three months ended 15 June 2022

**Group 1** Units purchased prior to 16 March 2022

**Group 2** Units purchased on or after 16 March 2022

	Net revenue 2022 per unit	Equalisation 2022 per unit	Distribution payable 15.8.22 per unit	Distribution paid 15.8.21 per unit
<b>X Income (Quarterly) units</b>				
Group 1	0.7210p	–	0.7210p	0.5535p
Group 2	0.7210p	–	0.7210p	0.5535p

# Distribution Tables

## (continued)

### Interim distribution for the six months ended 15 December 2021

**Group 1** Units purchased prior to 16 June 2021

**Group 2** Units purchased on or after 16 June 2021

	Net revenue 2021 per unit	Equalisation 2021 per unit	Distribution paid 15.2.22 per unit	Distribution paid 15.2.21 per unit
<b>A Accumulation units</b>				
Group 1	1.2878p	–	1.2878p	1.4686p
Group 2	0.7124p	0.5754p	1.2878p	1.4686p
<b>A Income units</b>				
Group 1	0.9414p	–	0.9414p	1.1157p
Group 2	0.3957p	0.5457p	0.9414p	1.1157p
<b>L Accumulation units</b>				
Group 1	1.3912p	–	1.3912p	1.6129p
Group 2	0.6386p	0.7526p	1.3912p	1.6129p
<b>L Income units</b>				
Group 1	1.0100p	–	1.0100p	1.2179p
Group 2	0.4592p	0.5508p	1.0100p	1.2179p
<b>Z Accumulation units</b>				
Group 1	1.3649p	–	1.3649p	1.5488p
Group 2	0.5714p	0.7935p	1.3649p	1.5488p
<b>Z Income units</b>				
Group 1	1.0003p	–	1.0003p	1.1802p
Group 2	0.4317p	0.5686p	1.0003p	1.1802p

### Final distribution for the six months ended 15 June 2022

**Group 1** Units purchased prior to 16 December 2021

**Group 2** Units purchased on or after 16 December 2021

	Net revenue 2022 per unit	Equalisation 2022 per unit	Distribution payable 15.8.22 per unit	Distribution paid 15.8.21 per unit
<b>A Accumulation units</b>				
Group 1	1.5416p	–	1.5416p	1.4180p
Group 2	0.7097p	0.8319p	1.5416p	1.4180p
<b>A Income units</b>				
Group 1	1.1084p	–	1.1084p	1.0535p
Group 2	0.7107p	0.3977p	1.1084p	1.0535p
<b>L Accumulation units</b>				
Group 1	1.6705p	–	1.6705p	1.5429p
Group 2	0.9233p	0.7472p	1.6705p	1.5429p
<b>L Income units</b>				
Group 1	1.1931p	–	1.1931p	1.1413p
Group 2	0.5172p	0.6759p	1.1931p	1.1413p
<b>Z Accumulation units</b>				
Group 1	1.6381p	–	1.6381p	1.4990p
Group 2	0.9330p	0.7051p	1.6381p	1.4990p



# Distribution Tables

## (continued)

	Net revenue 2022 per unit	Equalisation 2022 per unit	Distribution payable 15.8.22 per unit	Distribution paid 15.8.21 per unit
<b>Z Income units</b>				
Group 1	1.1810p	–	1.1810p	1.1190p
Group 2	0.5813p	0.5997p	1.1810p	1.1190p

### 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 2021

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 77 to 99 of the 2021 Annual Report & Accounts (available on the Group's website – <https://www.schroders.com/en/investor-relations/results-and-reports/annual-report-and-accounts-2021/>), 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, for reviewing its general principles at least annually, for overseeing its implementation and for ensuring compliance with relevant local legislation and regulation. During 2021 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 a range of more minor recommendations, principally improvements to process and policy documentation.

The total spend on remuneration is determined by reference to a total compensation ratio, measuring total remuneration expense against net income. This ensures that the interests of employees are aligned 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 2021.

- 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 151 UCITS MRTs of SUTL in respect of the financial year ended 31 December 2021 is £136.04 million, of which £47.89 million was paid to senior management, and £88.15 million was paid to MRTs deemed to be taking risk on behalf of SUTL or the UCITS funds that it manages and Control Function MRTs.

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

PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

## Authorisation

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

## Initial management charge

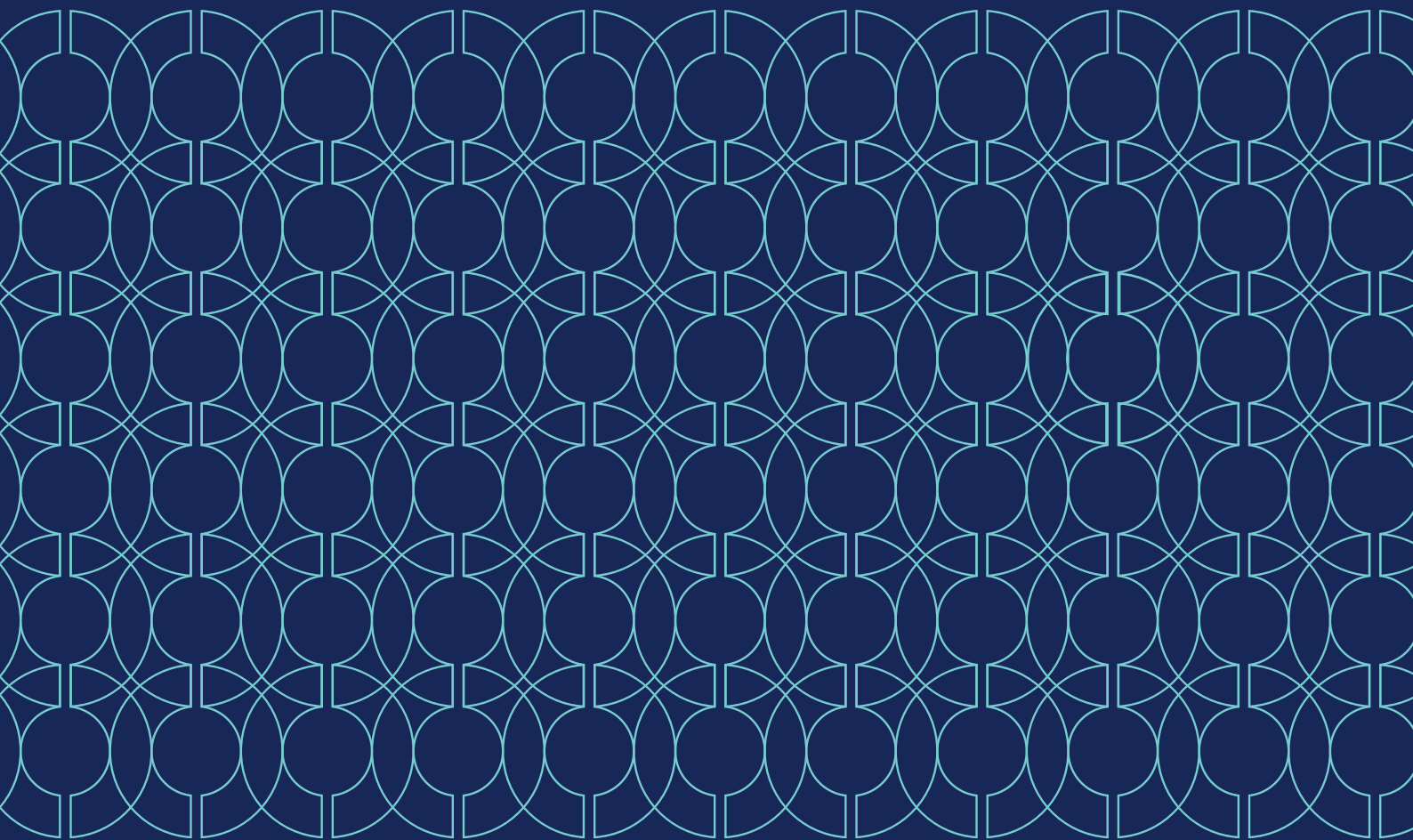
The issue price of X Income (Quarterly) units reflects an initial management charge of 10% of the dealing price. This is retained by the Manager.

## Value Assessment

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

## Other information

The Prospectus, the Key Investor Information Document and details of investment charges and costs are available on request or can be downloaded from our website [www.schroders.com](http://www.schroders.com).



EST. 1804

For further literature please contact Schroder Investor Services on 0800 182 2399 or [schrodersinvestor@HSBC.com](mailto:schrodersinvestor@HSBC.com) for Retail Clients, or 0345 030 7277 or [schrodersinstitutional@HSBC.com](mailto:schrodersinstitutional@HSBC.com) for Institutional Clients, or visit our website at [www.schroders.com](http://www.schroders.com).

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