



## Contents

<b>Fund Information<sup>1</sup></b>	<b>3</b>
<b>Review of Investment Activities<sup>1</sup></b>	<b>4</b>
<b>Risk Profile<sup>1</sup></b>	<b>5</b>
<b>Statement of the Manager's Responsibilities</b>	<b>6</b>
<b>Report of the Trustee</b>	<b>7</b>
<b>Independent auditors' report to the Unitholders of Schroder High Yield Opportunities Fund</b>	<b>8</b>
<b>Comparative Table</b>	<b>10</b>
<b>Portfolio Statement<sup>1</sup></b>	<b>13</b>
<b>Financial Statements</b>	<b>19</b>
<b>Notes to the Accounts</b>	<b>20</b>
<b>Distribution Tables</b>	<b>28</b>
<b>Remuneration</b>	<b>35</b>
<b>General Information<sup>1</sup></b>	<b>36</b>

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

# Fund Information

## Investment objective and policy

The Schroder High Yield Opportunities Fund (the 'Fund') aims to provide income and capital growth of between 4.5% and 6.5% per annum (after fees have been deducted) over a three to five year period by investing in fixed and floating rate securities 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 or hedged back into Sterling) issued by governments, government agencies, supra-nationals and companies worldwide.

The Fund invests at least 50% of its assets in Pan-European fixed and floating rate securities.

The Fund invests at least 80% of its assets in below investment grade securities (as measured by Standard & Poor's or any other equivalent credit rating agencies) or in unrated securities.

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

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to 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 4.5% and 6.5% per year, and compared against the Investment Association High Yield Investment 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 4.5% and 6.5% per annum (after fees) over a 3 to 5 year period. From 27 July 2021 to 27 July 2022, the price of Z Accumulation units on a dealing price fell by 10.47%. In comparison, the Investment Association Sterling High Yield Sector Average generated a negative total return of 9.59%<sup>1</sup> in sterling terms.**

Bond markets took a volatile turn in the first half of 2022. Yields and spreads rose sharply resulting in significant negative returns. The principal cause was increasingly elevated with persistent inflationary pressures, and decisively hawkish responses from central banks. The reopening of most economies from lockdown measures in 2021 presaged a sharp snap-back in demand and pronounced supply-demand imbalances. This unleashed inflationary pressures, which were exacerbated by an energy price squeeze. Yields fell in July as investors began to shift focus to the worsening growth outlook and potentially more moderate rate increases.

The portfolio generated a negative total return, underperforming the peer group. The main detractor was our large exposure to real estate where performance was affected by company specific factors and broad concerns around the impact of rising rates. We think fundamentals for the sector and individual holdings remain positive. In terms of positioning, we added selectively across different industries. Overall emerging market exposure increased, where we added in mining, energy, transport, infrastructure and telecoms. The Fund holds a diverse range of idiosyncratic positions. Significant exposures include non-cyclical areas such as telecoms, healthcare, energy (given continued supply-demand imbalances) and services. The Fund seeks to invest opportunistically in idiosyncratic, and where possible non-correlating situations, which can generate outperformance in all-weather scenarios.

We have recently seen a welcome rally for credit, but we think there is further to go. Credit spreads are still compensating investors for a significant downturn in economic activity and more, potentially too many, rate hikes by central banks. All-in yields are at very attractive levels and although there is plenty of potential for volatility, we see potential for strong total returns from here. The uncertain economic outlook, combined with a tightening of financial conditions is a favourable backdrop for security selection whereby putting high conviction behind carefully selected issuers will be rewarded. Market dispersion has increased as good quality companies have been impacted indiscriminately. Careful bond issuer selection will be important, particularly looking for issuers with cash flows rising with inflation, or whose business models are resilient to a slowdown.

**Fund Manager:  
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

<sup>1</sup> Source: Refinitiv Eikon Datastream.

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

# Risk Profile

## Risk and reward indicator



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

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website [www.schroders.com](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 27 July 2022 were signed on 18 November 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 High Yield Opportunities Fund ('the Fund') for the year ended 27 July 2022.**

The Trustee of the Schroder High Yield Opportunities 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  
9 August 2022

# Independent auditors' report to the Unitholders of Schroder High Yield Opportunities Fund

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Schroder High Yield Opportunities Fund (the "Fund"):

- give a true and fair view of the financial position of the Fund as at 27 July 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 27 July 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 financial statements, 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 High Yield Opportunities 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  
18 November 2022

# Comparative Table

Financial year to 27 July	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	157.69	133.84	137.70	45.77	41.10	45.07
Return before operating charges*	(15.59)	25.88	(2.01)	(4.31)	7.80	(0.70)
Operating charges	(2.12)	(2.03)	(1.85)	(0.60)	(0.61)	(0.59)
<b>Return after operating charges*</b>	<b>(17.71)</b>	<b>23.85</b>	<b>(3.86)</b>	<b>(4.91)</b>	<b>7.19</b>	<b>(1.29)</b>
Distributions**	(9.54)	(8.42)	(8.43)	(2.70)	(2.52)	(2.68)
Retained distributions**	9.54	8.42	8.43	-	-	-
<b>Closing net asset value</b>	<b>139.98</b>	<b>157.69</b>	<b>133.84</b>	<b>38.16</b>	<b>45.77</b>	<b>41.10</b>
*after direct transaction costs of	-	-	-	-	-	-
<b>Performance</b>						
Return after charges (%)	(11.23)	17.82	(2.80)	(10.73)	17.49	(2.86)
<b>Other information</b>						
Closing net asset value (£000's)	22,149	29,970	27,475	32,591	46,831	41,774
Closing number of units	15,823,011	19,005,465	20,528,985	85,398,048	102,329,670	101,643,239
Operating charges (%)	1.37	1.37	1.37	1.37	1.37	1.37
<b>Prices</b>						
Highest dealing price	160.90p	159.10p	146.53p	46.48p	46.54p	46.54p
Lowest dealing price	136.40p	134.70p	110.58p	37.41p	41.35p	34.96p

# Comparative Table

## (continued)

Financial year to 27 July	X Accumulation 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	65.86	55.15	55.97	98.40	82.97	84.81
Return before operating charges*	(6.57)	10.72	(0.81)	(9.78)	16.10	(1.24)
Operating charges	(0.01)	(0.01)	(0.01)	(0.70)	(0.67)	(0.60)
<b>Return after operating charges*</b>	<b>(6.58)</b>	<b>10.71</b>	<b>(0.82)</b>	<b>(10.48)</b>	<b>15.43</b>	<b>(1.84)</b>
Distributions**	(4.03)	(3.53)	(3.51)	(5.98)	(5.24)	(5.21)
Retained distributions**	4.03	3.53	3.51	5.98	5.24	5.21
<b>Closing net asset value</b>	<b>59.28</b>	<b>65.86</b>	<b>55.15</b>	<b>87.92</b>	<b>98.40</b>	<b>82.97</b>
*after direct transaction costs of	-	-	-	-	-	-
<b>Performance</b>						
Return after charges (%)	(9.99)	19.42	(1.47)	(10.65)	18.60	(2.17)
<b>Other information</b>						
Closing net asset value (£000's)	1	11,547	1,571	203,546	247,194	197,885
Closing number of units	1,988	17,530,889	2,848,457	231,519,652	251,220,989	238,498,210
Operating charges (%)	0.02	0.02	0.02	0.72	0.72	0.72
<b>Prices</b>						
Highest dealing price	67.62p	66.43p	60.03p	100.70p	99.27p	90.59p
Lowest dealing price	57.71p	55.50p	45.36p	85.62p	83.48p	68.40p

# Comparative Table (continued)

Financial year to 27 July	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	53.07	47.35	51.58
Return before operating charges*	(5.02)	9.00	(0.80)
Operating charges	(0.37)	(0.37)	(0.35)
<b>Return after operating charges*</b>	<b>(5.39)</b>	<b>8.63</b>	<b>(1.15)</b>
Distributions**	(3.14)	(2.91)	(3.08)
<b>Closing net asset value</b>	<b>44.54</b>	<b>53.07</b>	<b>47.35</b>
*after direct transaction costs of	-	-	-
<b>Performance</b>			
Return after charges (%)	(10.16)	18.23	(2.23)
<b>Other information</b>			
Closing net asset value (£000's)	175,757	188,560	157,169
Closing number of units	394,575,537	355,314,353	331,948,649
Operating charges (%)	0.72	0.72	0.72
<b>Prices</b>			
Highest dealing price	53.95p	53.93p	53.47p
Lowest dealing price	43.65p	47.64p	40.19p

\*\* 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 27.7.22	Market Value £000's	% of net assets
<b>Corporate Bonds 93.62% (94.60%)</b>			
<b>Belgium 0.42% (0.00%)</b>			
LSF XI Magpie Bidco 7.25% 30/06/2027	2,500,000	1,816	0.42
		<b>1,816</b>	<b>0.42</b>
<b>Bermuda 2.19% (3.57%)</b>			
Digicel 6.75% 01/03/2023	9,050,000	4,739	1.09
Digicel 6.75% 01/03/2023	2,500,000	1,309	0.30
Lancashire Holdings FRN 5.625% 18/09/2041	4,964,000	3,451	0.80
		<b>9,499</b>	<b>2.19</b>
<b>Brazil 0.36% (0.33%)</b>			
Prumo Participacoes e Investimentos 7.5% 31/12/2031	2,091,359	1,549	0.36
		<b>1,549</b>	<b>0.36</b>
<b>Cayman Islands 0.85% (1.32%)</b>			
Global Aircraft Leasing 6.5% 15/09/2024	6,149,523	3,693	0.85
		<b>3,693</b>	<b>0.85</b>
<b>Chile 0.78% (0.00%)</b>			
ATP Tower Holdings 4.05% 27/04/2026	2,317,000	1,638	0.38
Agrosuper 4.6% 20/01/2032	2,464,000	1,736	0.40
		<b>3,374</b>	<b>0.78</b>
<b>Denmark 0.75% (0.58%)</b>			
DKT Finance 9.375% 17/06/2023	4,120,000	3,254	0.75
		<b>3,254</b>	<b>0.75</b>
<b>Finland 0.33% (0.31%)</b>			
PHM Group Holding 4.75% 18/06/2026	1,889,000	1,431	0.33
		<b>1,431</b>	<b>0.33</b>
<b>France 5.18% (4.09%)</b>			
La Financiere Atalian 6.625% 15/05/2025	2,161,000	1,621	0.37
Getlink 3.5% 30/10/2025	1,062,000	881	0.20
Iliad Holding 6.5% 15/10/2026	1,245,000	970	0.22
Loxam 4.5% 15/02/2027	1,700,000	1,306	0.30
Altice France 3.375% 15/01/2028	3,070,000	2,131	0.49
CAB SELAS 3.375% 01/02/2028	1,572,000	1,146	0.27
Emeria 3.375% 31/03/2028	9,316,000	6,436	1.48
Iliad Holding 7% 15/10/2028	913,000	703	0.16
Altice France 4.125% 15/01/2029	689,000	480	0.11
Altice France 5.5% 15/10/2029	4,031,000	2,723	0.63

	Holding at 27.7.22	Market Value £000's	% of net assets
Electricite de France 3.375% Perpetual	2,800,000	1,866	0.43
Electricite de France FRN 6% Perpetual	2,400,000	2,233	0.52
		<b>22,496</b>	<b>5.18</b>
<b>Germany 7.80% (7.44%)</b>			
Nidda Healthcare Holding 3.5% 30/09/2024	3,740,000	2,915	0.67
Tele Columbus 3.875% 02/05/2025	5,928,000	4,189	0.97
ProGroup 3% 31/03/2026	100,000	72	0.02
Douglas 6% 08/04/2026	890,000	618	0.14
Standard Profil Automotive 6.25% 30/04/2026	7,500,000	3,612	0.83
Gruenenthal 3.625% 15/11/2026	1,827,000	1,438	0.33
Cheplapharm Arzneimittel 3.5% 11/02/2027	3,000,000	2,249	0.52
WEPA Hygieneprodukte 2.875% 15/12/2027	5,953,000	3,781	0.87
Cheplapharm Arzneimittel 4.375% 15/01/2028	4,641,000	3,465	0.80
Cheplapharm Arzneimittel 5.5% 15/01/2028	2,492,000	1,812	0.42
Gruenenthal 4.125% 15/05/2028	2,665,000	2,001	0.46
Ctec II 5.25% 15/02/2030	5,150,000	3,260	0.75
Deutsche Bank FRN 4.625% 31/12/2164	2,800,000	1,870	0.43
Deutsche Bank FRN 6.75% 31/12/2164	200,000	154	0.04
Infineon Technologies FRN 3.625% Perpetual	2,000,000	1,518	0.35
Infineon Technologies FRN 2.875% Perpetual	1,100,000	876	0.20
		<b>33,830</b>	<b>7.80</b>
<b>Greece 1.05% (0.70%)</b>			
Piraeus Bank FRN 3.875% 03/11/2027	3,150,000	2,107	0.48
Piraeus Financial Holdings FRN 8.75% 31/12/2164	4,303,000	2,456	0.57
		<b>4,563</b>	<b>1.05</b>
<b>Hungary 0.17% (0.15%)</b>			
OTP Bank FRN 2.574% Perpetual	1,000,000	745	0.17
		<b>745</b>	<b>0.17</b>
<b>Ireland 0.11% (0.74%)</b>			
Ardagh Metal Packaging Finance USA 6% 15/06/2027	590,000	493	0.11
		<b>493</b>	<b>0.11</b>

# Portfolio Statement (continued)

	Holding at 27.7.22	Market Value £000's	% of net assets		Holding at 27.7.22	Market Value £000's	% of net assets
<b>Israel 1.31% (0.84%)</b>				Signa Development Finance 5.5% 23/07/2026			
Energiean Israel Finance 4.5% 30/03/2024	2,367,000	1,864	0.43		1,000,000	610	0.14
Energiean Israel Finance 4.875% 30/03/2026	1,757,000	1,324	0.30	Ideal Standard International 6.375% 30/07/2026			
Energiean Israel Finance 5.375% 30/03/2028	2,223,000	1,600	0.37		5,338,000	2,649	0.61
Energiean Israel Finance 5.875% 30/03/2031	1,320,000	913	0.21	Albion Financing 1 5.25% 15/10/2026			
		<b>5,701</b>	<b>1.31</b>		4,338,000	3,174	0.73
<b>Italy 4.66% (4.30%)</b>				ADLER Group 2.75% 13/11/2026			
Almaviva-The Italian Innovation 4.875% 30/10/2026	2,442,000	1,709	0.39		3,000,000	1,344	0.31
EVOCA FRN 4.25% 01/11/2026	1,227,000	877	0.20	ADLER Group 2.25% 27/04/2027			
Marcolin 6.125% 15/11/2026	13,639,000	9,996	2.30		4,000,000	1,756	0.40
Superstrada Pedemontana Veneta 8% 30/06/2027	5,192,000	4,804	1.11	Cidron Aida Finco 5% 01/04/2028			
UniCredit FRN 5.459% 30/06/2035	1,910,000	1,282	0.30		2,256,000	1,661	0.38
UnipolSai Assicurazioni FRN 6.375% Perpetual	2,069,000	1,567	0.36	Cidron Aida Finco 6.25% 01/04/2028			
		<b>20,235</b>	<b>4.66</b>		1,625,000	1,401	0.32
<b>Japan 0.00% (0.51%)</b>				Herens Holdco 4.75% 15/05/2028			
<b>Jersey 3.73% (3.73%)</b>					4,932,000	3,382	0.78
AA Bond 6.5% 31/01/2026	1,719,000	1,543	0.36	ADLER Group 2.25% 14/01/2029			
Galaxy Bidco 6.5% 31/07/2026	500,000	447	0.10		1,400,000	598	0.14
Petrofac 9.75% 15/11/2026	2,769,000	1,808	0.42	BK LC Lux Finco1 5.25% 30/04/2029			
Kane Bidco 6.5% 15/02/2027	5,804,000	5,100	1.17		3,057,000	2,117	0.49
Galaxy Finco 9.25% 31/07/2027	8,000,000	7,300	1.68	Herens Midco 5.25% 15/05/2029			
		<b>16,198</b>	<b>3.73</b>		4,600,000	2,680	0.62
<b>Luxembourg 12.18% (13.46%)</b>				Altice Financing 4.25% 15/08/2029			
Lincoln Financing 3.625% 01/04/2024	3,083,000	2,529	0.58		2,095,000	1,497	0.35
Lincoln Financing FRN 3.875% 01/04/2024	211,000	174	0.04	Altice Financing 5.75% 15/08/2029			
ADLER Group 1.5% 26/07/2024	1,000,000	534	0.12		1,044,000	725	0.17
ADLER Group 3.25% 05/08/2025	5,500,000	2,683	0.62	MC Brazil Downstream Trading 7.25% 30/06/2031			
Trafigura Funding 5.875% 23/09/2025	3,200,000	2,489	0.57		4,711,000	3,044	0.70
Garfunkelux Holdco 3 7.75% 01/11/2025	3,595,000	3,110	0.72	CPI Property Group 4.875% Perpetual			
Garfunkelux Holdco 3 0% 01/11/2025	1,000,000	718	0.17		3,500,000	2,051	0.47
Odyssey Europe Holdco 9% 31/12/2025	5,411,000	4,296	0.99	CPI Property Group FRN 5.8% Perpetual			
Kleopatra Finco 4.25% 01/03/2026	5,821,000	4,138	0.95		3,000,000	1,546	0.36
				CPI Property Group FRN 4.875% Perpetual			
					1,844,000	1,095	0.25
				CPI Property Group FRN 3.75% Perpetual			
					1,735,000	862	0.20
					<b>52,863</b>	<b>12.18</b>	
<b>Mexico 4.20% (3.19%)</b>				Petroleos Mexicanos 3.75% 21/02/2024			
					1,100,000	897	0.21
				Total Play Telecomunicaciones 7.5% 12/11/2025			
					11,257,000	7,813	1.80
				Petroleos Mexicanos 3.75% 16/11/2025			
					1,494,000	1,292	0.30
				Electricidad Firme de Mexico Holdings 4.9% 20/11/2026			
					1,439,000	921	0.21
				Cemex 7.375% 05/06/2027			
					1,225,000	998	0.23
				Total Play Telecomunicaciones 6.375% 20/09/2028			
					779,000	491	0.11
				Cemex 5.2% 17/09/2030			
					936,000	650	0.15
				Cemex 3.875% 11/07/2031			
					2,738,000	1,757	0.40
				America Movil 5.375% 04/04/2032			
					3,316,000	2,562	0.59

# Portfolio Statement (continued)

	Holding at 27.7.22	Market Value £000's	% of net assets
Petroleos Mexicanos 7.69% 23/01/2050	1,500,000	866	0.20
		<b>18,247</b>	<b>4.20</b>

## Netherlands 7.41% (5.83%)

Schoeller Packaging 6.375% 01/11/2024	4,559,000	3,050	0.70
Teva Pharmaceutical Finance Netherlands II 6% 31/01/2025	1,000,000	860	0.20
Teva Pharmaceutical Finance Netherlands II 4.5% 01/03/2025	2,152,000	1,797	0.41
IPD 3 5.5% 01/12/2025	742,000	564	0.13
Compact Bidco 5.75% 01/05/2026	3,719,000	2,408	0.55
Q-Park Holding I 2% 01/03/2027	5,500,000	3,763	0.87
Teva Pharmaceutical Finance Netherlands II 3.75% 09/05/2027	1,332,000	1,031	0.24
Teva Pharmaceutical Finance Netherlands III 4.75% 09/05/2027	2,375,000	1,833	0.42
United Group 4% 15/11/2027	11,945,000	8,013	1.85
United Group 5.25% 01/02/2030	769,000	500	0.12
Koninklijke KPN FRN 7% 28/03/2073	2,700,000	2,207	0.51
Wintershall Dea Finance 2 FRN 3% 31/12/2164	200,000	128	0.03
Abertis Infraestruc- turas Finance 3.248% Perpetual	1,600,000	1,193	0.27
Telefonica Europe FRN 3.875% Perpetual	2,900,000	2,263	0.52
Wintershall Dea Finance 2 FRN 2.499% Perpetual	3,800,000	2,549	0.59
		<b>32,159</b>	<b>7.41</b>

## Norway 0.00% (1.27%)

## Portugal 0.70% (1.34%)

Banco Espirito Santo 4% 21/01/2019+	1,200,000	146	0.04
Novo Banco 0% 03/04/2048	12,129,000	2,870	0.66
		<b>3,016</b>	<b>0.70</b>

## Singapore 0.00% (0.28%)

## Spain 1.01% (0.32%)

Grifols 2.25% 15/11/2027	5,850,000	4,398	1.01
		<b>4,398</b>	<b>1.01</b>

## Supranational 0.00% (1.93%)

## Sweden 0.98% (1.99%)

Heimstaden 4.25% 09/03/2026	2,300,000	1,529	0.35
Verisure Holding 3.25% 15/02/2027	1,478,000	1,081	0.25

	Holding at 27.7.22	Market Value £000's	% of net assets
Heimstaden Bostad 3.248% Perpetual	2,678,000	1,645	0.38
		<b>4,255</b>	<b>0.98</b>

## Switzerland 0.11% (0.21%)

Aryzta FRN 5.846% Perpetual	630,000	478	0.11
		<b>478</b>	<b>0.11</b>

## Turkey 1.05% (0.00%)

Ulker Biskuvi Sanayi 6.95% 30/10/2025	1,500,000	917	0.21
Limak Iskenderun Uluslararası Liman Isletmeciligi 9.5% 10/07/2036	5,300,000	3,638	0.84
		<b>4,555</b>	<b>1.05</b>

## United Kingdom 22.33% (23.96%)

Saga 3.375% 12/05/2024	4,436,000	3,915	0.90
Energia Group NI FinanceCo 4.75% 15/09/2024	3,730,000	3,407	0.78
TalkTalk Telecom Group 3.875% 20/02/2025	11,787,000	10,343	2.38
Neptune Energy Bondco 6.625% 15/05/2025	2,500,000	2,003	0.46
Stonegate Pub Co. Financing 2019 8.25% 31/07/2025	1,630,000	1,534	0.35
Energia Group NI FinanceCo 4% 15/09/2025	1,299,000	990	0.23
Pinewood Finance 3.25% 30/09/2025	1,464,000	1,324	0.31
Metro Bank FRN 9.5% 08/10/2025	4,002,000	3,193	0.74
Highlands Holdings Bond Issuer 7.625% 15/10/2025	7,814,062	6,219	1.43
eG Global Finance 6.25% 30/10/2025	3,000,000	2,311	0.53
INEOS Quattro Finance 2 2.5% 15/01/2026	1,642,000	1,232	0.28
INEOS Quattro Finance 2 3.375% 15/01/2026	283,000	200	0.05
Jerrold Finco 4.875% 15/01/2026	3,472,000	2,977	0.69
Bellis Acquisition 3.25% 16/02/2026	2,038,000	1,653	0.38
Merlin Entertainments 5.75% 15/06/2026	1,804,000	1,383	0.32
Punch Finance 6.125% 30/06/2026	2,083,000	1,817	0.42
Saga 5.5% 15/07/2026	4,965,000	4,171	0.96
Victoria 3.625% 24/08/2026	1,992,000	1,413	0.33
PeopleCert Wisdom Issuer 5.75% 15/09/2026	507,000	400	0.09
Endeavour Mining 5% 14/10/2026	9,242,000	6,136	1.41

# Portfolio Statement (continued)

	Holding at 27.7.22	Market Value £000's	% of net assets		Holding at 27.7.22	Market Value £000's	% of net assets
Harbour Energy 5.5% 15/10/2026	3,110,000	2,314	0.53	Standard Chartered FRN 4.75% Perpetual	1,122,000	734	0.17
Harbour Energy 5.5% 15/10/2026	2,309,000	1,727	0.40			<b>96,914</b>	<b>22.33</b>
SIG 5.25% 30/11/2026	3,250,000	2,131	0.49	<b>United States of America 13.96% (12.21%)</b>			
Jerrold Finco 5.25% 15/01/2027	3,181,000	2,787	0.64	Arrow Bidco 9.5% 15/03/2024	4,596,000	3,839	0.88
Virgin Media Secured Finance 5% 15/04/2027	2,000,000	1,880	0.43	New Fortress Energy 6.75% 15/09/2025	900,000	718	0.17
Rolls-Royce 5.75% 15/10/2027	407,000	313	0.07	Rayonier AM Products 7.625% 15/01/2026	2,621,000	1,895	0.44
Pinewood Finance 3.625% 15/11/2027	2,262,000	1,905	0.44	Kosmos Energy 7.125% 04/04/2026	2,000,000	1,396	0.32
SGS Finance REIT 4.875% 17/03/2028	1,132,914	589	0.14	Millennium Escrow 6.625% 01/08/2026	4,071,000	2,631	0.61
Metro Bank FRN 5.5% 26/06/2028	5,169,000	2,783	0.64	New Fortress Energy 6.5% 30/09/2026	5,754,000	4,520	1.04
BCP V Modular Services Finance II 4.75% 30/11/2028	4,100,000	2,837	0.65	Summer BC Bidco B 5.5% 31/10/2026	1,000,000	714	0.16
BCP V Modular Services Finance II 6.125% 30/11/2028	867,000	686	0.16	Tidewater 8.5% 16/11/2026	3,200,000	2,613	0.60
Vmed O2 UK Financing I 4% 31/01/2029	1,483,000	1,283	0.30	Northwest Fiber 4.75% 30/04/2027	3,657,000	2,614	0.60
Phoenix Group Holdings 5.867% 13/06/2029	1,213,000	1,229	0.28	Kosmos Energy 7.75% 01/05/2027	2,235,000	1,486	0.34
Virgin Media Secured Finance 4.25% 15/01/2030	2,188,000	1,871	0.43	Frontier Communications Holdings 5.875% 15/10/2027	4,906,000	3,884	0.89
Virgin Media Secured Finance 4.125% 15/08/2030	1,747,000	1,483	0.34	MPT Operating Partnership REIT 5% 15/10/2027	1,785,000	1,412	0.33
Vmed O2 UK Financing I 4.5% 15/07/2031	1,399,000	1,198	0.28	Bristow Group 6.875% 01/03/2028	2,156,000	1,586	0.37
Berkeley Group 2.5% 11/08/2031	878,000	651	0.15	Kosmos Energy 7.5% 01/03/2028	1,000,000	665	0.15
Greene King Finance 5.318% 15/09/2031	944,400	984	0.23	Organon 4.125% 30/04/2028	5,548,000	4,289	0.99
Utmost Group 4% 15/12/2031	2,062,000	1,629	0.38	Frontier Communications Holdings 5% 01/05/2028	1,732,000	1,310	0.30
Mitchells & Butlers Finance FRN 3.508% 15/06/2036	2,215,000	1,757	0.40	Allied Universal Holdco 4.875% 01/06/2028	4,966,000	4,030	0.93
RL Finance Bonds NO 4 FRN 4.875% 07/10/2049	785,000	667	0.15	Consolidated Communications 6.5% 01/10/2028	7,210,000	5,105	1.18
abrdn FRN 5.25% 31/12/2164	397,000	340	0.08	MajorDrive Holdings IV 6.375% 01/06/2029	5,287,000	3,230	0.74
Just Group FRN 5% 31/12/2164	660,000	461	0.11	Gap 3.625% 01/10/2029	337,000	205	0.05
NatWest Group FRN 5.125% 31/12/2164	1,400,000	1,214	0.28	180 Medical 3.875% 15/10/2029	631,000	473	0.11
OSB Group FRN 6% 31/12/2164	1,981,000	1,776	0.41	MPT Operating Partnership REIT 3.375% 24/04/2030	2,153,000	1,738	0.40
BUPA Finance FRN 4% Perpetual	2,420,000	1,633	0.38	Frontier Communications Holdings 8.75% 15/05/2030	1,450,000	1,260	0.29
Investec FRN 6.75% Perpetual	668,000	617	0.14				
National Express Group FRN 4.25% Perpetual	907,000	814	0.19				



# Portfolio Statement (continued)

	Holding at 27.7.22	Market Value £000's	% of net assets
Energy Transfer FRN 6.25% 31/12/2164	13,856,000	8,969	2.07
		<b>60,582</b>	<b>13.96</b>
<b>Corporate Bonds total</b>		<b>406,344</b>	<b>93.62</b>
<b>Convertible Bonds 2.09% (1.58%)</b>			
<b>Austria 1.76% (1.58%)</b>			
ams-OSRAM 0% 05/03/2025	3,400,000	2,330	0.54
ams-OSRAM 2.13% 03/11/2027	8,800,000	5,305	1.22
		<b>7,635</b>	<b>1.76</b>
<b>Germany 0.33% (0.00%)</b>			
Consus Real Estate 4% 29/11/2022	2,700,000	1,428	0.33
		<b>1,428</b>	<b>0.33</b>
<b>Convertible Bonds total</b>		<b>9,063</b>	<b>2.09</b>
<b>Forward Foreign Currency Contracts 0.34% ((0.39)%)</b>			
Buy EUR 3,671,208 Sell GBP 3,130,853 30/08/2022		(34)	(0.01)
Sell EUR 119,218,553 Buy GBP 102,080,774 30/08/2022		1,497	0.35
Sell EUR 89,146,070 Buy GBP 76,248,595 29/09/2022		927	0.21
Sell SGD 2,824,897 Buy GBP 1,692,223 30/08/2022		5	0.00
Sell USD 4,088,333 Buy GBP 3,404,867 30/08/2022		18	0.00
Sell USD 92,498,860 Buy GBP 75,463,071 30/08/2022		(1,166)	(0.27)
Sell USD 86,773,179 Buy GBP 72,087,691 29/09/2022		248	0.06
<b>Forward Foreign Currency Contracts total</b>		<b>1,495</b>	<b>0.34</b>
<b>Futures 0.00% ((0.04)%)</b>			
<b>Swaps (0.80)% ((0.85)%)</b>			
Credit Default Swap Barclays Buy Republic of Korea 2.75% 19/01/2027 20/12/2026	3,336,921	(68)	(0.02)
Credit Default Swap BNP Paribas Buy Republic of Korea 2.75% 19/01/2027 20/12/2026	6,673,843	(136)	(0.04)
Credit Default Swap Barclays Buy Next 3.625% 18/05/2028 20/06/2027	4,000,000	167	0.04
Credit Default Swap Goldman Sachs Buy Next 3.625% 18/05/2028 20/06/2027	3,000,000	126	0.03
Credit Default Swap Goldman Sachs Sell Casino Guichard Perrachon 1.865% 13/06/2022 20/12/2022	2,000,000	(113)	(0.03)

	Holding at 27.7.22	Market Value £000's	% of net assets
Credit Default Swap Credit Suisse Sell Boparan Finance 7.625% 30/11/2025 20/06/2024	2,000,000	(413)	(0.09)
Credit Default Swap Citigroup Sell British Telecommunications 5.75% 07/12/2028 20/12/2024	5,000,000	37	0.01
Credit Default Swap Citigroup Sell Atlantia 1.625% 03/02/2025 20/12/2025	5,000,000	(243)	(0.06)
Credit Default Swap Citigroup Sell Ziggo Bond 5.125% 28/02/2030 20/12/2025	694,444	15	0.00
Credit Default Swap Morgan Stanley Sell Ziggo Bond 5.125% 28/02/2030 20/12/2025	1,805,556	39	0.01
Credit Default Swap BNP Paribas Sell CMA CGM 6.5% 15/07/2022 20/12/2025	2,000,000	(13)	0.00
Credit Default Swap Credit Suisse Sell CMA CGM 6.5% 15/07/2022 20/12/2025	3,000,000	(21)	0.00
Credit Default Swap J.P. Morgan Sell CMA CGM 6.5% 15/07/2022 20/12/2025	1,000,000	(7)	0.00
Credit Default Swap BNP Paribas Sell TUI Group 5% 16/04/2028 20/06/2026	2,640,910	(489)	(0.11)
Credit Default Swap J.P. Morgan Sell TUI Group 5% 16/04/2028 20/06/2026	1,509,090	(279)	(0.06)
Credit Default Swap J.P. Morgan Sell CMA CGM 6.5% 15/07/2022 20/06/2026	2,000,000	(25)	(0.01)
Credit Default Swap Barclays Sell CMA CGM 7.5% 15/01/2026 20/06/2026	1,600,000	(20)	0.00
Credit Default Swap J.P. Morgan Sell TUI Group 5% 16/04/2028 20/12/2026	2,500,000	(492)	(0.11)
Credit Default Swap J.P. Morgan Sell CMA CGM 7.5% 15/06/2026 20/12/2026	1,250,000	(26)	(0.01)
Credit Default Swap Barclays Sell Marks & Spencer 3% 08/12/2023 20/06/2027	4,000,000	(406)	(0.09)
Credit Default Swap Barclays Sell Faurecia 3.125% 15/06/2026 20/06/2027	880,000	(20)	0.00

# Portfolio Statement (continued)

	Holding at 27.7.22	Market Value £000's	% of net assets
Credit Default Swap BNP Paribas Sell Faurecia 3.125% 15/06/2026 20/06/2027	1,320,000	(30)	(0.01)
Credit Default Swap Morgan Stanley Sell Faurecia 3.125% 15/06/2026 20/06/2027	1,000,000	(23)	(0.01)
Credit Default Swap Credit Suisse Sell Grifols 3.2% 01/05/2025 20/06/2027	2,000,000	(40)	(0.01)
Credit Default Swap Credit Suisse Sell TUI Group 5% 16/04/2028 20/06/2027	1,000,000	(207)	(0.05)

	Holding at 27.7.22	Market Value £000's	% of net assets
Credit Default Swap Credit Suisse Sell Loxam 6% 19/04/2025 20/06/2027	2,000,000	(197)	(0.05)
Credit Default Swap Morgan Stanley Sell Boparan Finance 7.625% 30/11/2025 20/06/2027	2,000,000	(572)	(0.13)
<b>Swaps total</b>		<b>(3,456)</b>	<b>(0.80)</b>
<b>Portfolio of investments</b>		<b>413,446</b>	<b>95.25</b>
<b>Net other assets</b>		<b>20,598</b>	<b>4.75</b>
<b>Net assets attributable to unitholders</b>		<b>434,044</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 27 July 2021.

Unless otherwise stated, all securities are admitted to official stock exchange listings.

+ Security is currently in default.

# Statement of Total Return

For the year ended 27 July 2022

		2022	2021
	Notes	£000's	£000's
Income			
Net capital (losses)/gains	2	(79,999)	54,800
Revenue	3	31,059	27,357
Expenses	4	(4,057)	(3,848)
Net revenue before taxation		27,002	23,509
Taxation	5	(257)	(114)
Net revenue after taxation		26,745	23,395
Total return before distributions		(53,254)	78,195
Distributions	6	(30,762)	(26,917)
Change in net assets attributable to unitholders from investment activities		(84,016)	51,278

# Statement of Change in Net Assets Attributable to Unitholders

For the year ended 27 July 2022

	2022	2021
	£000's	£000's
Opening net assets attributable to unitholders	524,102	425,874
Amounts receivable on issue of units	81,117	102,966
Amounts payable on cancellation of units	(103,902)	(70,785)
	<b>(22,785)</b>	<b>32,181</b>
Dilution adjustment	137	110
Change in net assets attributable to unitholders from investment activities	(84,016)	51,278
Retained distribution on Accumulation units	16,606	14,659
<b>Closing net assets attributable to unitholders</b>	<b>434,044</b>	<b>524,102</b>

# Balance Sheet

As at 27 July 2022

		2022	2021
	Notes	£000's	£000's
Assets			
Investments		418,486	508,504
Current assets			
Debtors	8	13,861	11,367
Cash and bank balances	9	11,952	25,228
Total assets		444,299	545,099
Liabilities			
Investment liabilities		(5,040)	(11,117)
Creditors			
Distributions payable		(1,266)	(1,186)
Other creditors	10	(3,949)	(8,694)
Total liabilities		(10,255)	(20,997)
Net assets attributable to unitholders		434,044	524,102

# Notes to the Accounts

## For the year ended 27 July 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)). The accounts have been prepared on a going concern basis.

#### 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.

#### 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 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 the Schroders Annual Charge to capital, thereby increasing the amount available for distribution.

#### 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.

#### 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	2021
	£000's	£000's
Non-derivative securities	(62,670)	34,370
Derivative contracts	(1,136)	(382)
Forward foreign currency contracts	(16,173)	21,138
Foreign currency losses	(19)	(317)
Transaction costs	(1)	(9)
<b>Net capital (losses)/gains</b>	<b>(79,999)</b>	<b>54,800</b>

# Notes to the Accounts

## For the year ended 27 July 2022 (continued)

### 3 Revenue

	2022	2021
	£000's	£000's
Interest on debt securities	30,090	26,612
Bank interest	7	–
Net revenue return from derivative contracts	962	745
<b>Total revenue</b>	<b>31,059</b>	<b>27,357</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	–	1,860
Administration charge	–	263
Schroders Annual Charge <sup>1,2</sup>	4,017	1,662
	<b>4,017</b>	<b>3,785</b>
<b>Payable to the Trustee, associates of the Trustee and agents of either of them:</b>		
Trustee's fees	–	29
Safe custody fees	2	7
	<b>2</b>	<b>36</b>
<b>Other expenses:</b>		
Audit fee <sup>2</sup>	–	7
Interest payable	38	20
	<b>38</b>	<b>27</b>
<b>Total expenses</b>	<b>4,057</b>	<b>3,848</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 £10,471 (2021 – £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) Analysis of the tax charge for the year

	2022	2021
	£000's	£000's
Overseas withholding tax	257	114
<b>Total current tax (Note 5(b))</b>	<b>257</b>	<b>114</b>

# Notes to the Accounts

## For the year ended 27 July 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	2021
	£000's	£000's
<b>Net revenue before taxation</b>	<b>27,002</b>	<b>23,509</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	5,400	4,702
<b>Effects of:</b>		
Interest distributions deductible for tax purposes	(5,400)	(4,702)
Overseas withholding tax	257	114
<b>Current tax charge for the year (Note 5(a))</b>	<b>257</b>	<b>114</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	2021
	£000's	£000's
Monthly Interest distribution	2,383	2,329
Monthly Interest distribution	2,384	1,904
Monthly Interest distribution	2,597	2,430
Monthly Interest distribution	2,698	2,277
Monthly Interest distribution	2,060	2,034
Interim Interest distribution	2,573	2,505
Monthly Interest distribution	2,424	1,996
Monthly Interest distribution	2,559	1,783
Monthly Interest distribution	3,008	2,470
Monthly Interest distribution	2,671	2,308
Monthly Interest distribution	2,757	2,338
Final Interest distribution	2,629	2,632
	<b>30,743</b>	<b>27,006</b>
Add: Revenue deducted on cancellation of units	252	180
Deduct: Revenue received on issue of units	(233)	(269)
<b>Distributions</b>	<b>30,762</b>	<b>26,917</b>
Net revenue after taxation	26,745	23,395
Expenses taken to capital	4,017	3,522
<b>Distributions</b>	<b>30,762</b>	<b>26,917</b>

Details of the distributions per unit are set out in the Distribution Tables on pages 28 to 34.

# Notes to the Accounts

## For the year ended 27 July 2022 (continued)

### 7 Fair value hierarchy

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

Basis of valuation	2022		2021	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	-	-	-	(46)
Level 2: Observable market data	418,486	(5,040)	508,504	(11,071)
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>418,486</b>	<b>(5,040)</b>	<b>508,504</b>	<b>(11,117)</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.

### 8 Debtors

	2022 £000's	2021 £000's
Amounts receivable for issue of units	6,268	604
Sales awaiting settlement	-	3,791
Amounts receivable on derivative contracts	160	106
Accrued revenue	7,412	6,865
Prepaid expenses	-	1
Overseas withholding tax recoverable	21	-
<b>Total debtors</b>	<b>13,861</b>	<b>11,367</b>

### 9 Cash and bank balances

	2022 £000's	2021 £000's
Cash and bank balances	8,759	18,996
Amounts held at futures clearing houses and brokers	3,193	6,232
<b>Total cash and bank balances</b>	<b>11,952</b>	<b>25,228</b>

### 10 Other creditors

	2022 £000's	2021 £000's
Amounts payable for cancellation of units	1,250	1,099
Purchases awaiting settlement	2,148	7,276
Accrued expenses	551	319
<b>Total other creditors</b>	<b>3,949</b>	<b>8,694</b>

### 11 Contingent liabilities

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

If a holder of a call option exercised the option, the Fund would be liable for the difference between the strike price of the option and the market value of the underlying security at the point of exercise.

# Notes to the Accounts

## For the year ended 27 July 2022 (continued)

### 12 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 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 5.49% (2021 – 6.67%).

### 13 Unit classes

At the reporting date the Fund had five 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 28 to 34.

All classes have the same rights on winding up.

### 14 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity, 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.

#### 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 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 bonds bear interest at rates based on Euro Interbank Offer Rate.

US dollar denominated floating rate notes/bonds bear interest at rates based on the US London Interbank Offer 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.

#### Derivative

During the year the Fund entered into derivative contracts for the efficient management of the Fund.



# Notes to the Accounts

## For the year ended 27 July 2022 (continued)

### Global risk exposure

#### Absolute VaR approach

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

#### Regulatory VaR limit utilisation

	2022			2021		
	Lowest	Highest	Average	Lowest	Highest	Average
	17.27%	35.06%	21.82%	19.48%	42.07%	29.36%

#### Information on VaR Model

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

### Leverage

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

The level of leverage is an indication of the derivative usage and of any leverage generated by the reinvestment of cash received as collateral when using efficient portfolio management techniques. It does not take into account other physical assets directly held in the portfolio of the Fund. The figure is not representative of the maximum amount that a Fund could lose, as it includes the derivatives used to protect the Net Asset Value of a Fund as well as the derivatives backed by risk free assets and derivatives which do not generate any incremental exposure, leverage or market risk from an economic perspective. The reported leverage figure is therefore not a true representation of the economic 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 27 July	Lowest	Highest	Average	Leverage 27 July
	85.86%	201.90%	118.93%	92.01%	2.97%	248.23%	117.57%	168.78%

- 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.

## 15 Debt securities credit analysis

	2022 £000's	2021 £000's
Investment grade securities	16,463	20,596
Below investment grade securities	379,349	440,594
Unrated securities	19,595	42,876
<b>Total debt securities</b>	<b>415,407</b>	<b>504,066</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.

## 16 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 £207,418,852 (2021 – £458,611,540) and the total sales amounted to £235,678,538 (2021 – £404,220,694).

#### Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 1.58% (2021 – 0.82%).

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 27 July 2022 (continued)

### 17 Units in issue reconciliation

	Number of units in issue 27.7.21	Number of units issued	Number of units cancelled	Number of units converted	Number of units in issue 27.7.22
A Accumulation units	19,005,465	919,374	(3,791,887)	(309,941)	15,823,011
A Income units	102,329,670	4,734,092	(20,164,450)	(1,501,264)	85,398,048
X Accumulation units	17,530,889	–	(17,528,901)	–	1,988
Z Accumulation units	251,220,989	41,852,704	(61,974,214)	420,173	231,519,652
Z Income units	355,314,353	72,273,069	(34,442,218)	1,430,333	394,575,537

### 18 Counterparty exposure

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

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
<b>Bank of America</b>										
2022	15	–	–	–	–	–	–	–	–	15
2021	(2)	–	–	–	–	–	–	–	–	(2)
<b>Barclays</b>										
2022	–	(347)	–	–	–	–	–	–	–	(347)
2021	(26)	(35)	–	–	–	–	–	–	–	(61)
<b>BNP Paribas</b>										
2022	5	(668)	–	–	–	–	–	–	–	(663)
2021	16	54	–	–	–	–	–	–	–	70
<b>Citigroup</b>										
2022	2	(191)	–	–	–	–	–	–	–	(189)
2021	6	125	–	–	–	–	–	–	–	131
<b>Credit Suisse</b>										
2022	–	(878)	–	–	–	–	–	–	–	(878)
2021	–	152	–	–	–	–	–	–	–	152
<b>Deutsche Bank</b>										
2022	–	–	–	–	–	–	–	–	–	–
2021	(8)	–	–	–	–	–	–	–	–	(8)
<b>Goldman Sachs</b>										
2022	–	13	–	–	–	–	–	–	–	13
2021	(2,019)	50	–	–	–	–	–	–	–	(1,969)
<b>HSBC</b>										
2022	–	–	–	–	–	–	–	–	–	–
2021	(1)	–	–	–	–	–	–	–	–	(1)
<b>J.P. Morgan</b>										
2022	18	(829)	–	–	–	–	–	–	–	(811)
2021	(1,049)	170	–	–	–	–	–	–	–	(879)
<b>Lloyds Bank</b>										
2022	927	–	–	–	–	–	–	–	–	927
2021	–	–	–	–	–	–	–	–	–	–
<b>Morgan Stanley</b>										
2022	247	(556)	–	–	–	–	–	–	–	(309)
2021	(27)	(4,953)	–	–	–	–	–	–	–	(4,980)

# Notes to the Accounts

## For the year ended 27 July 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>Royal Bank of Canada</b>										
2022	-	-	-	-	-	-	-	-	-	-
2021	(7)	-	-	-	-	-	-	-	-	(7)
<b>State Street</b>										
2022	40	-	-	-	-	-	-	-	-	40
2021	1,063	-	-	-	-	-	-	-	-	1,063
<b>UBS</b>										
2022	241	-	-	-	-	-	-	-	-	241
2021	5	-	-	-	-	-	-	-	-	5

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
Barclays	(290)	-
BNP Paribas	(550)	(180)
Citigroup	(260)	-
Credit Suisse	(810)	-
J.P. Morgan	(910)	(260)
Morgan Stanley	(460)	(6,304)
<b>Total</b>	<b>(3,280)</b>	<b>(6,744)</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	(3,280)	(6,744)
<b>Total</b>	<b>(3,280)</b>	<b>(6,744)</b>

## 19 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 27 July 2022, the price of each unit class has changed as follows:

	Dealing price 15.11.22	Dealing price 27.7.22	% change
A Accumulation units	139.60p	141.50p	(1.34)
A Income units	37.30p	38.81p	(3.89)
X Accumulation units	59.37p	59.91p	(0.90)
Z Accumulation units	87.85p	88.86p	(1.14)
Z Income units	43.62p	45.29p	(3.69)

# Distribution Tables

## Distribution for the month ended 27 August 2021

**Group 1** Units purchased prior to 28 July 2021

**Group 2** Units purchased on or after 28 July 2021

	Net revenue 2021 per unit	Equalisation 2021 per unit	Distribution paid 27.9.21 per unit	Distribution paid 27.9.20 per unit
<b>A Accumulation units</b>				
Group 1	0.7203p	–	0.7203p	0.7360p
Group 2	0.2969p	0.4234p	0.7203p	0.7360p
<b>A Income units</b>				
Group 1	0.2090p	–	0.2090p	0.2260p
Group 2	0.1333p	0.0757p	0.2090p	0.2260p
<b>X Accumulation units</b>				
Group 1	0.3010p	–	0.3010p	0.3082p
Group 2	0.3010p	–	0.3010p	0.3082p
<b>Z Accumulation units</b>				
Group 1	0.4495p	–	0.4495p	0.4564p
Group 2	0.2167p	0.2328p	0.4495p	0.4564p
<b>Z Income units</b>				
Group 1	0.2425p	–	0.2425p	0.2605p
Group 2	0.1129p	0.1296p	0.2425p	0.2605p

## Distribution for the month ended 27 September 2021

**Group 1** Units purchased prior to 28 August 2021

**Group 2** Units purchased on or after 28 August 2021

	Net revenue 2021 per unit	Equalisation 2021 per unit	Distribution paid 27.10.21 per unit	Distribution paid 27.10.20 per unit
<b>A Accumulation units</b>				
Group 1	0.7042p	–	0.7042p	0.6014p
Group 2	0.3673p	0.3369p	0.7042p	0.6014p
<b>A Income units</b>				
Group 1	0.2036p	–	0.2036p	0.1837p
Group 2	0.1236p	0.0800p	0.2036p	0.1837p
<b>X Accumulation units</b>				
Group 1	0.2946p	–	0.2946p	0.2527p
Group 2	0.2946p	–	0.2946p	0.2527p
<b>Z Accumulation units</b>				
Group 1	0.4398p	–	0.4398p	0.3731p
Group 2	0.1368p	0.3030p	0.4398p	0.3731p
<b>Z Income units</b>				
Group 1	0.2363p	–	0.2363p	0.2118p
Group 2	0.1194p	0.1169p	0.2363p	0.2118p

# Distribution Tables

## (continued)

### Distribution for the month ended 27 October 2021

**Group 1** Units purchased prior to 28 September 2021

**Group 2** Units purchased on or after 28 September 2021

	Net revenue 2021 per unit	Equalisation 2021 per unit	Distribution paid 27.11.21 per unit	Distribution paid 27.11.20 per unit
<b>A Accumulation units</b>				
Group 1	0.7805p	–	0.7805p	0.7590p
Group 2	0.4088p	0.3717p	0.7805p	0.7590p
<b>A Income units</b>				
Group 1	0.2246p	–	0.2246p	0.2309p
Group 2	0.1071p	0.1175p	0.2246p	0.2309p
<b>X Accumulation units</b>				
Group 1	0.3270p	–	0.3270p	0.3187p
Group 2	0.3270p	–	0.3270p	0.3187p
<b>Z Accumulation units</b>				
Group 1	0.4877p	–	0.4877p	0.4712p
Group 2	0.2509p	0.2368p	0.4877p	0.4712p
<b>Z Income units</b>				
Group 1	0.2607p	–	0.2607p	0.2663p
Group 2	0.1426p	0.1181p	0.2607p	0.2663p

### Distribution for the month ended 27 November 2021

**Group 1** Units purchased prior to 28 October 2021

**Group 2** Units purchased on or after 28 October 2021

	Net revenue 2021 per unit	Equalisation 2021 per unit	Distribution paid 27.12.21 per unit	Distribution paid 27.12.20 per unit
<b>A Accumulation units</b>				
Group 1	0.8118p	–	0.8118p	0.7129p
Group 2	0.2511p	0.5607p	0.8118p	0.7129p
<b>A Income units</b>				
Group 1	0.2328p	–	0.2328p	0.2157p
Group 2	0.1262p	0.1066p	0.2328p	0.2157p
<b>X Accumulation units</b>				
Group 1	0.3410p	–	0.3410p	0.2999p
Group 2	0.3410p	–	0.3410p	0.2999p
<b>Z Accumulation units</b>				
Group 1	0.5086p	–	0.5086p	0.4428p
Group 2	0.1902p	0.3184p	0.5086p	0.4428p
<b>Z Income units</b>				
Group 1	0.2708p	–	0.2708p	0.2489p
Group 2	0.0885p	0.1823p	0.2708p	0.2489p

# Distribution Tables

## (continued)

### Distribution for the month ended 27 December 2021

**Group 1** Units purchased prior to 28 November 2021

**Group 2** Units purchased on or after 28 November 2021

	Net revenue 2021 per unit	Equalisation 2021 per unit	Distribution paid 27.1.22 per unit	Distribution paid 27.1.21 per unit
<b>A Accumulation units</b>				
Group 1	0.6353p	–	0.6353p	0.6412p
Group 2	0.3009p	0.3344p	0.6353p	0.6412p
<b>A Income units</b>				
Group 1	0.1810p	–	0.1810p	0.1931p
Group 2	0.0439p	0.1371p	0.1810p	0.1931p
<b>X Accumulation units</b>				
Group 1	0.2667p	–	0.2667p	0.2700p
Group 2	0.2667p	–	0.2667p	0.2700p
<b>Z Accumulation units</b>				
Group 1	0.3973p	–	0.3973p	0.3984p
Group 2	0.1797p	0.2176p	0.3973p	0.3984p
<b>Z Income units</b>				
Group 1	0.2104p	–	0.2104p	0.2230p
Group 2	0.0995p	0.1109p	0.2104p	0.2230p

### Interim distribution for the month ended 27 January 2022

**Group 1** Units purchased prior to 28 December 2021

**Group 2** Units purchased on or after 28 December 2021

	Net revenue 2022 per unit	Equalisation 2022 per unit	Distribution paid 27.2.22 per unit	Distribution paid 27.2.21 per unit
<b>A Accumulation units</b>				
Group 1	0.8105p	–	0.8105p	0.7916p
Group 2	0.2931p	0.5174p	0.8105p	0.7916p
<b>A Income units</b>				
Group 1	0.2301p	–	0.2301p	0.2374p
Group 2	0.0909p	0.1392p	0.2301p	0.2374p
<b>X Accumulation units</b>				
Group 1	0.3406p	–	0.3406p	0.3340p
Group 2	0.3406p	–	0.3406p	0.3340p
<b>Z Accumulation units</b>				
Group 1	0.5072p	–	0.5072p	0.4922p
Group 2	0.2022p	0.3050p	0.5072p	0.4922p
<b>Z Income units</b>				
Group 1	0.2675p	–	0.2675p	0.2743p
Group 2	0.1128p	0.1547p	0.2675p	0.2743p

# Distribution Tables

## (continued)

### Distribution for the month ended 27 February 2022

**Group 1** Units purchased prior to 28 January 2022

**Group 2** Units purchased on or after 28 January 2022

	Net revenue 2022 per unit	Equalisation 2022 per unit	Distribution paid 27.3.22 per unit	Distribution paid 27.3.21 per unit
<b>A Accumulation units</b>				
Group 1	0.7497p	–	0.7497p	0.6449p
Group 2	0.4108p	0.3389p	0.7497p	0.6449p
<b>A Income units</b>				
Group 1	0.2116p	–	0.2116p	0.1923p
Group 2	0.0473p	0.1643p	0.2116p	0.1923p
<b>X Accumulation units</b>				
Group 1	0.3155p	–	0.3155p	0.2729p
Group 2	0.3155p	–	0.3155p	0.2729p
<b>Z Accumulation units</b>				
Group 1	0.4696p	–	0.4696p	0.4012p
Group 2	0.3174p	0.1522p	0.4696p	0.4012p
<b>Z Income units</b>				
Group 1	0.2463p	–	0.2463p	0.2223p
Group 2	0.1128p	0.1335p	0.2463p	0.2223p

### Distribution for the month ended 27 March 2022

**Group 1** Units purchased prior to 28 February 2022

**Group 2** Units purchased on or after 28 February 2022

	Net revenue 2022 per unit	Equalisation 2022 per unit	Distribution paid 27.4.22 per unit	Distribution paid 27.4.21 per unit
<b>A Accumulation units</b>				
Group 1	0.8051p	–	0.8051p	0.5690p
Group 2	0.2650p	0.5401p	0.8051p	0.5690p
<b>A Income units</b>				
Group 1	0.2262p	–	0.2262p	0.1690p
Group 2	0.0603p	0.1659p	0.2262p	0.1690p
<b>X Accumulation units</b>				
Group 1	0.3410p	–	0.3410p	0.2368p
Group 2	0.3410p	–	0.3410p	0.2368p
<b>Z Accumulation units</b>				
Group 1	0.5043p	–	0.5043p	0.3542p
Group 2	0.2018p	0.3025p	0.5043p	0.3542p
<b>Z Income units</b>				
Group 1	0.2634p	–	0.2634p	0.1956p
Group 2	0.0932p	0.1702p	0.2634p	0.1956p

# Distribution Tables

## (continued)

### Distribution for the month ended 27 April 2022

**Group 1** Units purchased prior to 28 March 2022

**Group 2** Units purchased on or after 28 March 2022

	Net revenue 2022 per unit	Equalisation 2022 per unit	Distribution paid 27.5.22 per unit	Distribution paid 27.5.21 per unit
<b>A Accumulation units</b>				
Group 1	0.9479p	–	0.9479p	0.7721p
Group 2	0.2991p	0.6488p	0.9479p	0.7721p
<b>A Income units</b>				
Group 1	0.2650p	–	0.2650p	0.2284p
Group 2	0.1520p	0.1130p	0.2650p	0.2284p
<b>X Accumulation units</b>				
Group 1	0.4023p	–	0.4023p	0.3212p
Group 2	0.4023p	–	0.4023p	0.3212p
<b>Z Accumulation units</b>				
Group 1	0.5942p	–	0.5942p	0.4808p
Group 2	0.3117p	0.2825p	0.5942p	0.4808p
<b>Z Income units</b>				
Group 1	0.3086p	–	0.3086p	0.2643p
Group 2	0.1584p	0.1502p	0.3086p	0.2643p

### Distribution for the month ended 27 May 2022

**Group 1** Units purchased prior to 28 April 2022

**Group 2** Units purchased on or after 28 April 2022

	Net revenue 2022 per unit	Equalisation 2022 per unit	Distribution paid 27.6.22 per unit	Distribution paid 27.6.21 per unit
<b>A Accumulation units</b>				
Group 1	0.8531p	–	0.8531p	0.7046p
Group 2	0.1013p	0.7518p	0.8531p	0.7046p
<b>A Income units</b>				
Group 1	0.2369p	–	0.2369p	0.2074p
Group 2	0.0742p	0.1627p	0.2369p	0.2074p
<b>X Accumulation units</b>				
Group 1	0.3616p	–	0.3616p	0.2935p
Group 2	0.3616p	–	0.3616p	0.2935p
<b>Z Accumulation units</b>				
Group 1	0.5351p	–	0.5351p	0.4391p
Group 2	0.2240p	0.3111p	0.5351p	0.4391p
<b>Z Income units</b>				
Group 1	0.2762p	–	0.2762p	0.2402p
Group 2	0.1025p	0.1737p	0.2762p	0.2402p



# Distribution Tables

## (continued)

### Distribution for the month ended 27 June 2022

**Group 1** Units purchased prior to 28 May 2022

**Group 2** Units purchased on or after 28 May 2022

	Net revenue 2022 per unit	Equalisation 2022 per unit	Distribution paid 27.7.22 per unit	Distribution paid 27.7.21 per unit
<b>A Accumulation units</b>				
Group 1	0.8810p	–	0.8810p	0.7020p
Group 2	0.4299p	0.4511p	0.8810p	0.7020p
<b>A Income units</b>				
Group 1	0.2433p	–	0.2433p	0.2057p
Group 2	0.1274p	0.1159p	0.2433p	0.2057p
<b>X Accumulation units</b>				
Group 1	0.3747p	–	0.3747p	0.2927p
Group 2	0.3747p	–	0.3747p	0.2927p
<b>Z Accumulation units</b>				
Group 1	0.5528p	–	0.5528p	0.4376p
Group 2	0.3588p	0.1940p	0.5528p	0.4376p
<b>Z Income units</b>				
Group 1	0.2837p	–	0.2837p	0.2383p
Group 2	0.1169p	0.1668p	0.2837p	0.2383p

### Final distribution for the month ended 27 July 2022

**Group 1** Units purchased prior to 28 June 2022

**Group 2** Units purchased on or after 28 June 2022

	Net revenue 2022 per unit	Equalisation 2022 per unit	Distribution payable 25.8.22 per unit	Distribution paid 25.8.21 per unit
<b>A Accumulation units</b>				
Group 1	0.8455p	–	0.8455p	0.7902p
Group 2	0.2543p	0.5912p	0.8455p	0.7902p
<b>A Income units</b>				
Group 1	0.2320p	–	0.2320p	0.2306p
Group 2	0.0817p	0.1503p	0.2320p	0.2306p
<b>X Accumulation units</b>				
Group 1	0.3611p	–	0.3611p	0.3299p
Group 2	0.3611p	–	0.3611p	0.3299p
<b>Z Accumulation units</b>				
Group 1	0.5309p	–	0.5309p	0.4930p
Group 2	0.2390p	0.2919p	0.5309p	0.4930p
<b>Z Income units</b>				
Group 1	0.2707p	–	0.2707p	0.2673p
Group 2	0.0355p	0.2352p	0.2707p	0.2673p

# Distribution Tables

## (continued)

### 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

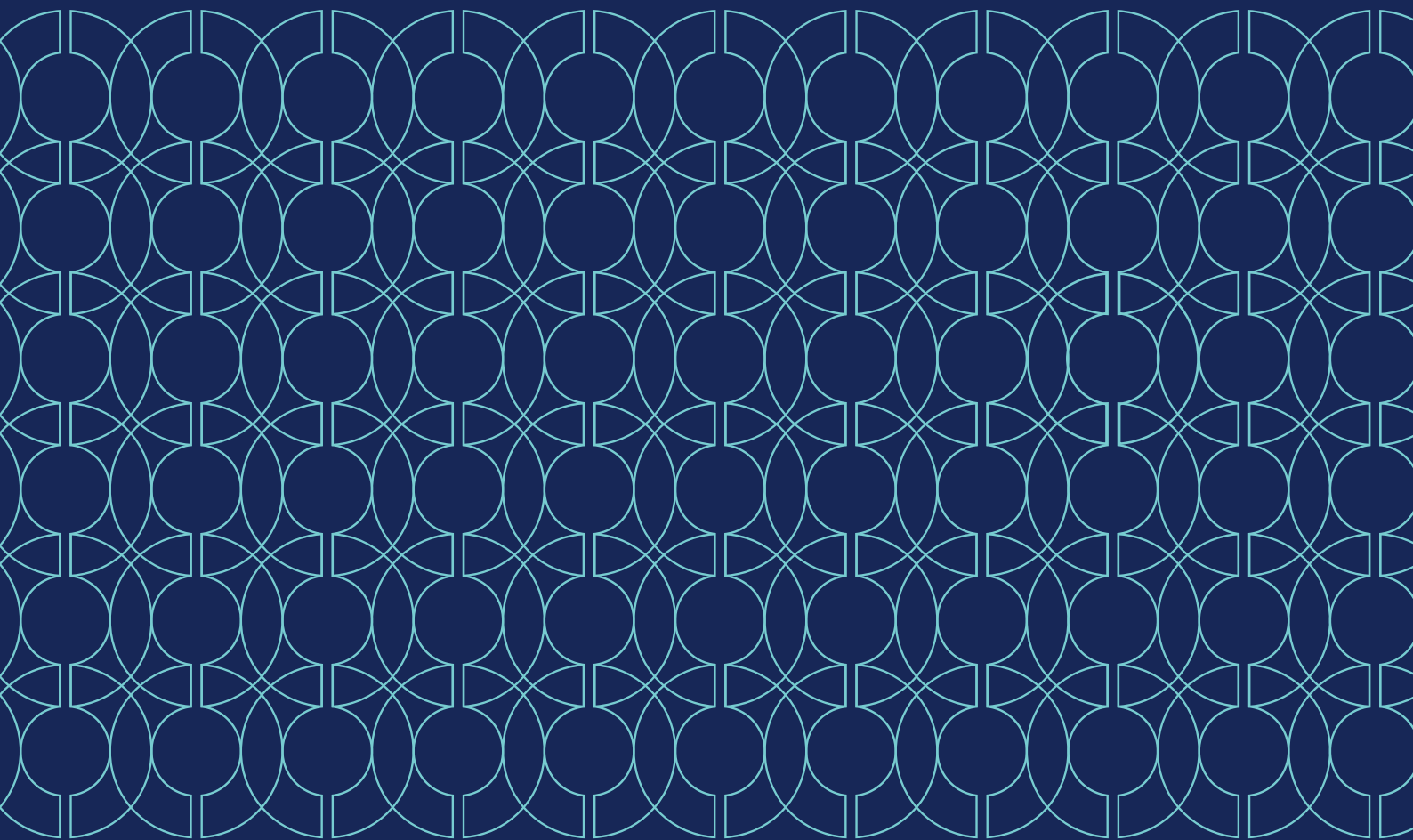
The Fund is an authorised unit trust and is constituted pursuant to the Collective Investment Schemes sourcebook and is structured as a Trust. The Fund is a UCITS scheme for the purpose of the categorisation of the Collective Investment Schemes sourcebook.

## 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).

Issued in November 2022 by Schroder Unit Trusts Limited, 1 London Wall Place, London EC2Y 5AU. Registered Number 4191730 England. Schroder Unit Trusts Limited is an authorised corporate director, authorised unit trust manager and an ISA plan manager, and is authorised and regulated by the Financial Conduct Authority. For your security, communications may be taped and monitored.