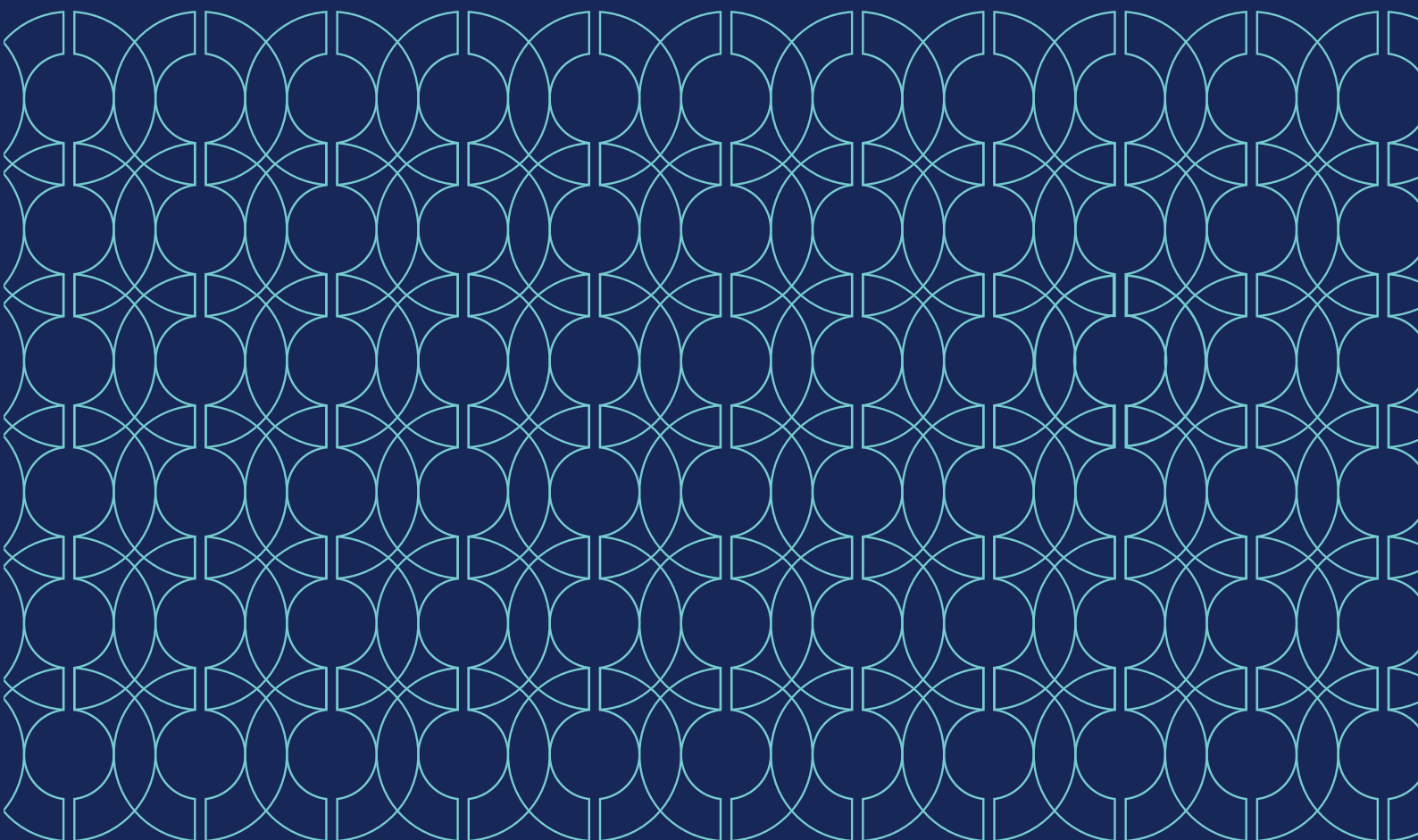


Schroders

Schroder European Smaller Companies Fund
Annual Report and Accounts
30 November 2023



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¹ Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

Schroder European Smaller Companies Fund (the 'Fund') aims to provide capital growth in excess of the MSCI Europe ex UK Small Cap (Net Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of small-sized European companies, excluding the UK.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of small-sized European companies, excluding the UK. These are companies that, at the time of purchase, are similar in size to those comprising the bottom 30% by market capitalisation of the European equity market, excluding the UK.

The Fund may also invest in European companies headquartered or quoted outside Europe which derive a significant proportion of their revenues or profits from Europe.

The small cap universe is an extensive, diverse and constantly changing area of the European market. Smaller companies offer investors exposure to some niche growth areas that, often, cannot be accessed through large companies. They also tend to grow more rapidly than larger firms.

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 reducing risk and managing the Fund more efficiently (for more information please refer to section 6 of Appendix 2 of the Prospectus).

With effect from 1 August 2023 the Fund's Investment objective and policy changed, previously it was:

The Fund aims to provide capital growth in excess of the Euromoney Smaller Europe ex UK (Gross Total Return) index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of small-sized European companies, excluding the UK.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of small-sized European companies, excluding the UK. These are companies that, at the time of purchase, are similar in size to those comprising the bottom 30% by market capitalisation of the European equity market, excluding the UK.

The Fund may also invest in European companies headquartered or quoted outside Europe which derive a significant proportion of their revenues or profits from Europe.

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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 reducing risk and managing the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus).

Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the MSCI Europe ex UK Small Cap (Net Return) index, and compared against the Investment Association European Smaller Companies sector average return. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager and the Manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Review of Investment Activities

From 30 November 2022 to 30 November 2023, the price of Z Accumulation units on a dealing price basis rose by 2.57%. In the same period, the Euromoney Smaller Europe ex UK Index generated a total return of 4.20%¹ in sterling terms.

During the 12-month period investor focus was primarily on rising inflation and the policy response from major central banks. There were fears that rising interest rates could lead to recession.

In Europe, the ongoing war in Ukraine contributed to higher inflation as the region had to import liquified natural gas from more distant producers. Towards the end of the period, inflation readings in the US and eurozone began to soften, and investors began to anticipate interest rate cuts in 2024.

Against this backdrop, the Fund posted a positive absolute return but lagged the index. Software firm Cint Group was the main individual detractor, partly due to weaker corporate earnings. A cut to full-year earnings guidance also weighed on the position in projection technology specialist Barco.

Stock selection within technology aided relative returns. Our positions in semiconductor tools firms ASM International and BE Semiconductor Industries were among the leading individual contributors amid expectations of strong demand for their advanced technology, especially as AI takes off.

Another top positive contributor was Hemnet Group, operator of the leading property platform in Sweden.

New holdings in the portfolio include Nordnet and Wise PLC while sales include Stillfront Group and Dermapharm Holding.

The need for continued careful stock picking and active portfolio management remains clear. Our focus remains on identifying quality companies that can endure tough times and prosper in the subsequent environment.

Fund Manager:
Luke Biermann



European Smaller Company Fund Manager, based in London

Luke has more than 17 years experience on the European Smaller Companies team, having joined in 2006. For the majority of this tenure Luke has specialised on Continental Europe

CFA Charterholder

Investment Management Certificate (IMC)

First-class BSc (Hons) in Computer Science, University of Bath

¹ Source: Morningstar.

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

Risk Profile

Risk and reward indicator



The risk category was calculated using historical performance data and may not be a reliable indicator of the Fund’s future risk profile. The Fund’s risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Statement of the Manager's Responsibilities

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

In preparing the accounts the Manager is responsible for:

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

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

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

P. Chislett
Directors
5 March 2024

J. Rainbow

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 European Smaller Companies Fund ('the Fund') for the year ended 30 November 2023.

The Trustee of the Schroder European Smaller Companies 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
21 December 2023

Independent Auditor's Report to the Unitholders of Schroder European Smaller Companies Fund

Opinion

We have audited the financial statements of Schroder European Smaller Companies Fund (the 'Fund') for the year ended 30 November 2023 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Table for the Fund and the accounting policies set out on page 14.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Fund as at 30 November 2023 and of the net revenue and the net capital gains on the property of the Fund for the year then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

Basis for opinion

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

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

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

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

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

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

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

Independent Auditor's Report to the Unitholders of Schroder European Smaller Companies Fund (continued)

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

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

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

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

Other information

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

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

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

Matters on which we are required to report by exception

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

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

Manager's responsibilities

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

Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

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

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

Grant Archer

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

319 St Vincent Street

Glasgow

G2 5AS

5 March 2024

Comparative Table

Financial year to 30 November	A Accumulation units			A Income units		
	2023 pence per unit	2022 pence per unit	2021 pence per unit	2023 pence per unit	2022 pence per unit	2021 pence per unit
Change in net asset value						
Opening net asset value	874.29	1,158.65	935.99	808.53	1,071.50	865.60
Return before operating charges*	33.44	(268.11)	241.31	30.97	(247.91)	223.14
Operating charges	(15.49)	(16.25)	(18.65)	(14.37)	(15.06)	(17.24)
Return after operating charges*	17.95	(284.36)	222.66	16.60	(262.97)	205.90
Distributions**	(2.80)	–	–	(2.68)	–	–
Retained distributions**	2.80	–	–	–	–	–
Closing net asset value	892.24	874.29	1,158.65	822.45	808.53	1,071.50
*after direct transaction costs of	(0.59)	(0.38)	(0.66)	(0.54)	(0.35)	(0.61)
Performance						
Return after charges (%)	2.05	(24.54)	23.79	2.05	(24.54)	23.79
Other information						
Closing net asset value (£000's)	28,358	39,907	55,634	346	623	906
Closing number of units	3,178,261	4,564,470	4,801,595	42,066	77,061	84,600
Operating charges (%)	1.69	1.70	1.69	1.69	1.70	1.69
Direct transaction costs (%)***	0.06	0.04	0.06	0.06	0.04	0.06
Prices						
Highest dealing price	976.40p	1,196.00p	1,232.00p	903.00p	1,106.00p	1,140.00p
Lowest dealing price	807.50p	790.70p	945.60p	746.80p	731.30p	874.50p

Comparative Table

(continued)

Financial year to 30 November	Z Accumulation units			Z Income units		
	2023 pence per unit	2022 pence per unit	2021 pence per unit	2023 pence per unit	2022 pence per unit	2021 pence per unit
Change in net asset value						
Opening net asset value	155.26	204.22	163.74	141.29	186.85	150.68
Return before operating charges*	5.91	(47.35)	42.31	5.39	(43.32)	38.94
Operating charges	(1.53)	(1.61)	(1.83)	(1.39)	(1.47)	(1.68)
Return after operating charges*	4.38	(48.96)	40.48	4.00	(44.79)	37.26
Distributions**	(1.73)	(0.84)	(1.18)	(1.58)	(0.77)	(1.09)
Retained distributions**	1.73	0.84	1.18	-	-	-
Closing net asset value	159.64	155.26	204.22	143.71	141.29	186.85
*after direct transaction costs of	(0.10)	(0.07)	(0.12)	(0.09)	(0.06)	(0.11)
Performance						
Return after charges (%)	2.82	(23.97)	24.72	2.83	(23.97)	24.73
Other information						
Closing net asset value (£000's)	73,650	77,150	108,531	4,604	4,688	7,593
Closing number of units	46,134,429	49,691,188	53,144,838	3,203,870	3,318,027	4,063,576
Operating charges (%)	0.94	0.95	0.94	0.94	0.95	0.94
Direct transaction costs (%)***	0.06	0.04	0.06	0.06	0.04	0.06
Prices						
Highest dealing price	173.70p	210.90p	216.80p	158.10p	192.90p	199.50p
Lowest dealing price	144.40p	140.30p	165.40p	131.40p	128.40p	152.20p

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

*** Direct transaction costs have been stated after deducting the proportion of the amounts collected from dilution adjustments.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a unit class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Annual Management Charge, Registrar fees, Safe custody fees, Trustee's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are units of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

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

Portfolio Statement

	Holding at 30.11.23	Market Value £000's	% of net assets
Equities 98.82% (97.13%)			
Austria 3.21% (0.66%)			
DO & CO	31,676	3,429	3.21
		3,429	3.21
Belgium 14.02% (17.07%)			
Azelis Group	211,461	3,736	3.49
Barco	198,468	2,641	2.47
D'ieren Group	19,199	2,591	2.42
Lotus Bakeries	279	1,914	1.79
Nyxoah	30,041	118	0.11
Recticel	190,236	1,653	1.55
Warehouses De Pauw REIT	105,725	2,340	2.19
		14,993	14.02
Denmark 0.58% (1.86%)			
Royal Unibrew	12,112	620	0.58
		620	0.58
Finland 0.76% (1.74%)			
Musti Group	36,079	815	0.76
		815	0.76
France 6.36% (7.66%)			
Nacon	81,991	118	0.11
Nexans	41,825	2,597	2.43
Trigano	33,469	4,085	3.82
		6,800	6.36
Germany 12.62% (16.46%)			
Cherry	72,912	169	0.16
CTS Eventim	62,378	3,382	3.16
Gerresheimer	21,747	1,632	1.53
HelloFresh	175,554	2,122	1.98
Medios	63,537	935	0.88
New Work	6,111	387	0.36
PharmaSGP Holding	57,601	916	0.86
Schott Pharma	28,672	707	0.66
Stabilus	38,511	1,897	1.77
Stemmer Imaging	53,144	1,351	1.26
		13,498	12.62
Guernsey 1.21% (0.83%)			
Sirius Real Estate	1,485,358	1,299	1.21
		1,299	1.21
Ireland 3.02% (4.89%)			
Bank of Ireland Group	436,828	3,234	3.02
		3,234	3.02
Italy 5.58% (4.14%)			
Moncler	43,448	1,905	1.78
Recordati Industria Chimica e Farmaceutica	21,540	820	0.77

	Holding at 30.11.23	Market Value £000's	% of net assets
Reply	35,199	3,243	3.03
		5,968	5.58
Luxembourg 2.17% (1.86%)			
Befesa	83,509	2,318	2.17
		2,318	2.17
Netherlands 6.40% (6.45%)			
Alfen	34,005	1,351	1.26
ASM International	3,751	1,521	1.42
BE Semiconductor Industries	13,545	1,497	1.40
TKH Group CVA	78,669	2,476	2.32
		6,845	6.40
Norway 4.76% (4.23%)			
Aker BP	145,028	3,296	3.08
Borregaard	142,153	1,796	1.68
		5,092	4.76
Spain 6.21% (1.29%)			
Bankinter	611,664	3,397	3.18
Fluidra	198,774	3,247	3.03
		6,644	6.21
Sweden 13.18% (13.18%)			
Bufab	17,459	415	0.39
Cint Group	497,605	339	0.32
Fortnox	471,933	1,996	1.86
Hemnet Group	198,363	3,562	3.33
INVISIO	101,180	1,341	1.25
Lifco	113,189	1,929	1.80
Nordnet	166,192	2,146	2.01
Profoto Holding	104,207	468	0.44
Thule Group	98,484	1,902	1.78
		14,098	13.18
Switzerland 13.41% (13.71%)			
Bachem Holding	45,459	2,682	2.51
Comet Holding	8,477	1,843	1.72
Emmi	1,164	969	0.91
Montana Aerospace	149,003	2,117	1.98
SIG Group	140,190	2,603	2.43
SKAN Group	22,714	1,636	1.53
Ypsomed Holding	9,012	2,489	2.33
		14,339	13.41
United Kingdom 4.32% (0.00%)			
Games Workshop Group	22,936	2,456	2.29
Wise	277,927	2,169	2.03
		4,625	4.32
United States of America 1.01% (1.10%)			
Boku#	751,467	1,075	1.01
		1,075	1.01
Equities total		105,692	98.82
Portfolio of investments		105,692	98.82
Net other assets		1,266	1.18
Net assets attributable to unitholders		106,958	100.00

The comparative percentage figures in brackets are as at 30 November 2022.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

Security traded on another regulated market.

Statement of Total Return

For the year ended 30 November 2023

		2023	2022
	Notes	£000's	£000's
Income			
Net capital gains/(losses)	2	2,238	(41,522)
Revenue	3	2,798	2,393
Expenses	4	(1,436)	(1,681)
Net revenue before taxation		1,362	712
Taxation	5	(314)	(201)
Net revenue after taxation		1,048	511
Total return before distributions		3,286	(41,011)
Distributions	6	(1,095)	(472)
Change in net assets attributable to unitholders from investment activities		2,191	(41,483)

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 30 November 2023

	2023	2022
	£000's	£000's
Opening net assets attributable to unitholders	122,368	172,664
Amounts receivable on issue of units	872	3,814
Amounts payable on cancellation of units	(19,374)	(13,050)
	(18,502)	(9,236)
Dilution adjustment	13	6
Change in net assets attributable to unitholders from investment activities	2,191	(41,483)
Retained distribution on Accumulation units	888	417
Closing net assets attributable to unitholders	106,958	122,368

Balance Sheet

As at 30 November 2023

		2023	2022
	Notes	£000's	£000's
Assets			
Investments		105,692	118,850
Current assets			
Debtors	8	572	769
Cash and bank balances		1,038	3,716
Total assets		107,302	123,335
Liabilities			
Creditors			
Distributions payable		(52)	(26)
Other creditors	9	(292)	(941)
Total liabilities		(344)	(967)
Net assets attributable to unitholders		106,958	122,368

Notes to the Accounts

For the year ended 30 November 2023

1 Accounting policies

Basis of preparation

The accounts have been prepared under the historical cost basis, as modified by the revaluation of investments, and in accordance with the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association in May 2014 and in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 (The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102)).

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

Revenue

Dividends receivable from equity investments are recognised net of attributable tax credits and are credited to revenue when they are first quoted ex-dividend.

The ordinary element of stocks received in lieu of cash dividends is recognised as revenue of the Fund. Any enhancement above the cash dividend is treated as capital.

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

Special dividends

Special dividends are treated as revenue or capital depending on the facts of each particular case.

Expenses

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

Taxation

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

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.

The ordinary element of scrip dividends is treated as revenue and does not form part of the 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

All investments held by the Fund have been valued at market value at 18:00 on the last working day of the accounting period. Market value is defined by the Statement of Recommended Practice as fair value which generally is the bid value of each security and the offer value for short positions.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the exchange rate prevailing on the date of the transaction. Assets and liabilities valued in foreign currencies have been translated into sterling at the exchange rates prevailing at the balance sheet date.

2 Net capital gains/(losses)

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

	2023	2022
	£000's	£000's
Non-derivative securities	2,270	(41,654)
Foreign currency (losses)/gains	(32)	132
Net capital gains/(losses)	2,238	(41,522)

Notes to the Accounts

For the year ended 30 November 2023 (continued)

3 Revenue

	2023	2022
	£000's	£000's
UK dividends	62	–
Overseas dividends	2,664	2,232
Scrip dividends	–	159
Bank interest	72	2
Total revenue	2,798	2,393

4 Expenses

	2023	2022
	£000's	£000's
Payable to the Manager, associates of the Manager and agents of either of them:		
Schroders Annual Charge ¹	1,424	1,645
Other expenses:		
Professional Fees	12	9
Interest payable	–	27
	12	36
Total expenses	1,436	1,681

1 Audit fees including VAT for the financial year ending 2023 were £7,717 (2022 – £9,647).

5 Taxation

(a) Analysis of the tax charge for the year

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

	2023	2022
	£000's	£000's
Overseas withholding tax	314	201
Total current tax (Note 5(b))	314	201

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

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

	2023	2022
	£000's	£000's
Net revenue before taxation	1,362	712
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	272	142
Effects of:		
Revenue not subject to corporation tax	(545)	(478)
Movement in excess management expenses	273	331
Overseas withholding tax	314	201
Loan relationship deficit	–	5
Total tax charge for the year (Note 5(a))	314	201

(c) Factors that may affect future tax charge

At the balance sheet date, there is a potential deferred tax asset of £5,201,665 (2022 – £4,928,687) in respect of unutilised management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year.

Notes to the Accounts

For the year ended 30 November 2023 (continued)

6 Distributions

The distributions take account of revenue received on the issue of units and revenue deducted on the cancellation of units, and comprise:

	2023	2022
	£000's	£000's
Final Dividend distribution	940	443
Add: Revenue deducted on cancellation of units	158	39
Deduct: Revenue received on issue of units	(3)	(10)
Distributions	1,095	472
Net revenue after taxation	1,048	511
Scrip dividends not distributed	-	(159)
Deficit taken to capital	-	116
Equalisation on conversions	47	4
Distributions	1,095	472

Details of the distributions per unit are set out in the Distribution Table on page 20.

7 Fair value hierarchy

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

	2023		2022	
Basis of valuation	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	105,692	-	118,850	-
Level 2: Observable market data	-	-	-	-
Level 3: Unobservable data	-	-	-	-
Total	105,692	-	118,850	-

Level 1: Unadjusted quoted price in an active market for an identical instrument.

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

Unobservable data

Unobservable data has been used only where relevant observable market data is not available. Where there was no reputable price source for an investment, the Manager has assessed information available from internal and external sources in order to arrive at an estimated fair value. The fair value is established by using measures of value such as the price of recent transactions, earnings multiple and net assets. The Manager of the Fund also makes judgements and estimates based on their knowledge of recent investment performance, historical experience and other assumptions that are considered reasonable under the circumstances. The estimates and the assumptions used are under continuous review by the Manager with particular attention paid to the carrying value of the investments.

8 Debtors

	2023	2022
	£000's	£000's
Amounts receivable for issue of units	-	71
Sales awaiting settlement	183	365
Overseas withholding tax recoverable	389	333
Total debtors	572	769

9 Other creditors

	2023	2022
	£000's	£000's
Amounts payable for cancellation of units	193	91
Purchases awaiting settlement	-	732
Accrued expenses	99	118
Total other creditors	292	941

Notes to the Accounts

For the year ended 30 November 2023 (continued)

10 Contingent liabilities

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

11 Related party transactions

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

Amounts paid during the year or due to the Manager at the balance sheet date are disclosed under Expenses and Other creditors in the Notes to the Accounts.

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 2.11% (2022 – 2.12%).

12 Unit classes

At the reporting date the Fund had four 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 11.

The distributions per unit class are given in the Distribution Table on page 20.

All classes have the same rights on winding up.

13 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, foreign currency, liquidity, credit and interest rate risks. The Manager's policies for managing these risks are summarised below and have been applied throughout the year and the prior year.

Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Manager in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the unitholders would increase or decrease by approximately £10,569,200 (2022 - £11,885,000).

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.

Currency risk profile

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

Currency	2023 £000's	2022 £000's
Danish krone	670	2,348
Euro	65,767	79,747
Norwegian krone	5,092	5,182
Sterling	6,797	2,581
Swedish krona	14,098	16,129
Swiss franc	14,533	16,380
US dollar	1	1

At the year end date, if the value of Sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the unitholders will increase or decrease by approximately £10,016,100 (2022 - £11,978,700).

Liquidity risk

The primary source of this risk to the Fund is the liability to unitholders for any cancellation of units. This risk is minimised by holding cash, readily realisable securities and access to overdraft facilities up to the amount prescribed by the Collective Investment Schemes sourcebook.

Interest rate risk

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

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

Notes to the Accounts

For the year ended 30 November 2023 (continued)

At the year end date 1.18% (2022 – 3.04%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average Rate. Foreign currency bank balances bear interest at rates based on the Sterling Overnight Index Average Rate or its international equivalent.

Fair value of financial assets and financial liabilities

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

Global risk exposure

Commitment approach

When using derivatives, the Manager uses a risk management process that enables it to monitor the risk of a Fund's derivative positions. The global risk exposure of a Fund is calculated daily either by means of the commitment approach or the Value-at-Risk (VaR) approach.

Under the commitment approach, the global risk exposure is defined as the underlying market value of derivatives, after netting and hedging as permitted by the regulation, not exceeding the Net Asset Value of a Fund. This is typically used on Funds where derivative usage is low or Funds which limit their derivatives commitment to 100% or less of their Net Asset Value.

The global risk exposure of the Fund is calculated using the commitment approach. During the year ended 30 November 2023 the global risk exposure of the Fund did not exceed 100% of its Net Asset Value. The lowest, highest, average and actual level of leverage for the Fund as at the balance sheet date was as follows:

Leverage

2023				2022			
Lowest	Highest	Average	Leverage 30 November	Lowest	Highest	Average	Leverage 30 November
0.00%	1.79%	0.08%	0.13%	0.00%	0.94%	0.07%	0.06%

14 Direct transaction costs

In the case of shares, broker commissions and transfer taxes/stamp duty are paid by the Fund on each transaction. In addition, there is a dealing spread between buying and selling prices of the underlying investments. Unlike shares, other types of investments (such as bonds, money market instruments, derivatives) have no separately identifiable transaction costs; these costs form part of the dealing spread. Dealing spreads vary considerably depending on the transaction value and market sentiment.

2023	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	44,449	21	34	44,504	0.05	0.08
Sales						
Equities	59,957	(26)	–	59,931	(0.04)	–
Total cost as a percentage of the Fund's average net asset value (%)		0.04	0.03			

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Purchases ¹ :						
Equities	34,825	15	21	34,861	0.04	0.06
Corporate actions purchases:						
Equities	296	–	–	296	–	–
	35,121	15	21	35,157		
Sales						
Equities	42,606	(20)	–	42,586	(0.05)	–
Total cost as a percentage of the Fund's average net asset value (%)		0.02	0.02			

1 Excluding corporate actions.

Notes to the Accounts

For the year ended 30 November 2023 (continued)

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.28% (2022 – 0.34%).

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

15 Units in issue reconciliation

	Number of units in issue 30.11.22	Number of units issued	Number of units cancelled	Number of units converted	Number of units in issue 30.11.23
A Accumulation units	4,564,470	7,302	(364,080)	(1,029,431)	3,178,261
A Income units	77,061	10	(2,735)	(32,270)	42,066
Z Accumulation units	49,691,188	279,745	(9,584,193)	5,747,689	46,134,429
Z Income units	3,318,027	229,648	(552,175)	208,370	3,203,870

16 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 30 November 2023, the price of each unit class has changed as follows:

	Dealing price 29.2.24	Dealing price 30.11.23	% change
A Accumulation Units	966.90p	892.80p	8.30
A Income Units	891.30p	825.60p	7.96
Z Accumulation Units	173.30p	159.70p	8.52
Z Income Units	156.00p	145.40p	7.29

Distribution Table

Final distribution for the year ended 30 November 2023

Group 1 Units purchased prior to 1 December 2022

Group 2 Units purchased on or after 1 December 2022

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution payable 31.1.24 per unit	Distribution paid 31.1.23 per unit
A Accumulation units				
Group 1	2.8041p	–	2.8041p	–
Group 2	–	2.8041p	2.8041p	–
A Income units				
Group 1	2.6802p	–	2.6802p	–
Group 2	0.2509p	2.4293p	2.6802p	–
Z Accumulation units				
Group 1	1.7322p	–	1.7322p	0.8401p
Group 2	0.9571p	0.7751p	1.7322p	0.8401p
Z Income units				
Group 1	1.5759p	–	1.5759p	0.7705p
Group 2	0.8648p	0.7111p	1.5759p	0.7705p

Equalisation

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

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

Remuneration

UCITS remuneration disclosures for Schroder Unit Trusts Limited ('SUTL') for the year to 31 December 2022

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

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

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

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

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

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

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

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

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

General Information

Manager

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

Investment Adviser

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

Trustee

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

Registrar

Schroder Unit Trusts Limited
1 London Wall Place
London EC2Y 5AU
Authorised and regulated by the Financial Conduct Authority
The Manager is responsible for maintaining the register for each Fund. It has delegated certain registrar functions to HSBC Bank Plc, 8 Canada Square, London, E14 8HQ.

Administration Details

Schroders Investor Services
PO BOX 1402
Sunderland
SR43 4AF

Independent Auditor

KPMG LLP
319 St Vincent Street
Glasgow G2 5AS

Authorisation

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

Value Assessment

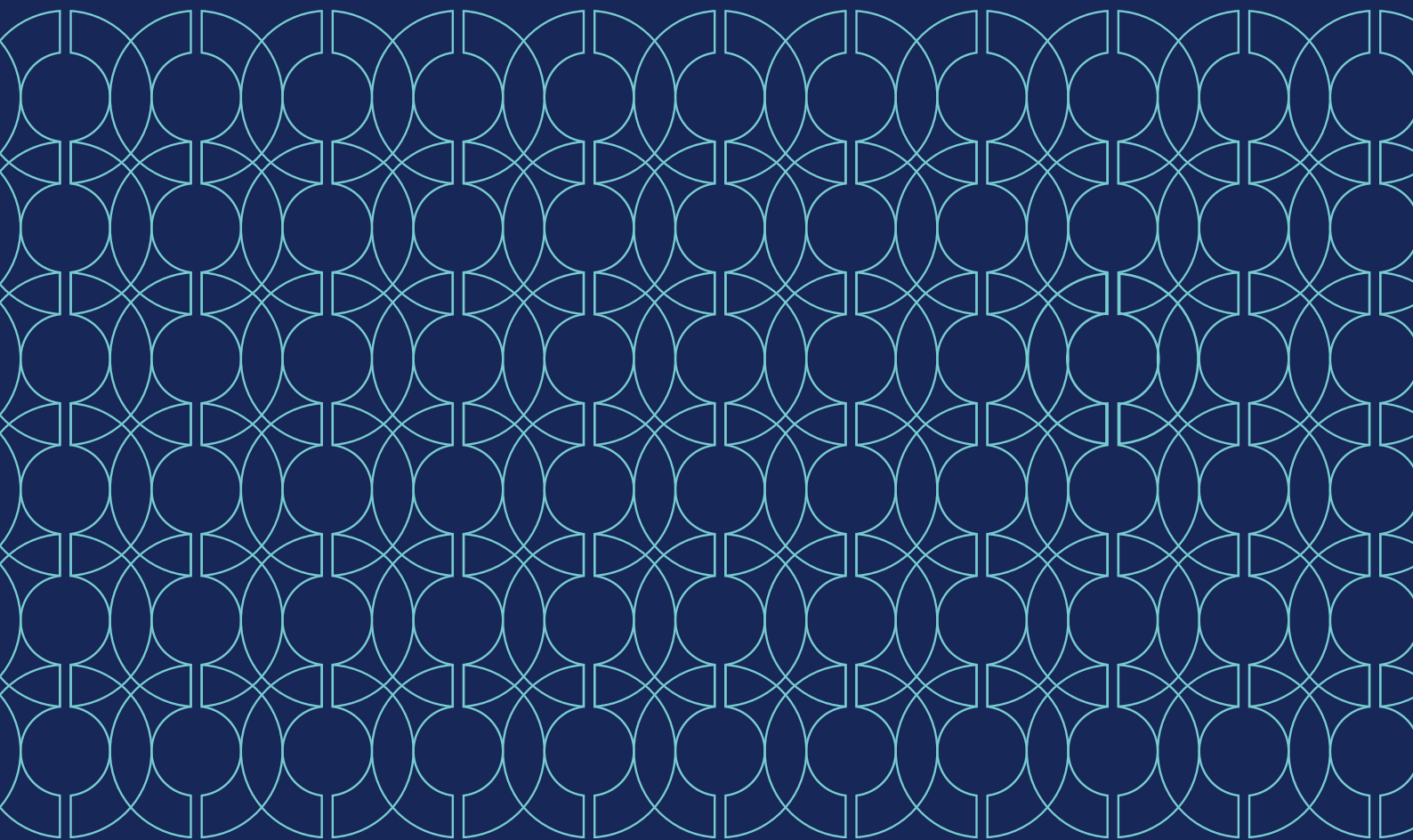
A statement on the Assessment of Value is published on the Global Fund Centre in the Fund Literature section at www.Schroders.com within 4 months of the annual 'reference date' 31 December.

Task Force on Climate-Related Financial Disclosures

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

Other information

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



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