

Contents

Fund Information¹	3
Fund Performance¹	3
Review of Investment Activities¹	4
Risk Profile¹	5
Statement of the Manager's Responsibilities	6
Portfolio Statement¹	7
Financial Statements (unaudited)	9
Notes to the Accounts (unaudited)	10
General Information¹	11

¹ Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

Schroder MM Diversity Fund (the 'Fund') aims to provide capital growth in excess of the UK Consumer Price Index (after fees have been deducted) over a five to seven year period by investing in a diversified range of assets worldwide. There is no guarantee that this objective will be met and your capital is at risk.

The Fund is actively managed and invests its assets indirectly through collective investment schemes, exchange traded funds, real estate investment trusts and closed ended funds in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. Alternative assets may include hedge funds, real estate, private equity and commodities.

The Fund may also invest directly in equity and equity related securities and fixed and floating rate securities. The Fund may directly or indirectly invest in money market instruments, and may hold cash.

The Fund may invest up to 100% of its assets in collective investment schemes (including other Schroder funds).

The Fund invests (directly or indirectly) one third of its assets in equity and equity related securities, one third in fixed and floating rate securities, money market instruments and cash, and one third in alternative assets. The Fund may deviate from this by up to 5% of assets (+/-) for equity and equity related securities and alternative assets, and by up to 10% of assets (+/-) for fixed and floating rate securities, money market instruments and cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to Section 10. "Derivatives and Forward Transactions" of Appendix 1 of the Prospectus).

Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the UK Consumer Price Index, and compared against the Investment Association Mixed Investment 20% to 60% Shares 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.

Total purchases and sales

	For the period to 31.8.23 £000's	For the year to 28.2.23 £000's
Total purchases	127,291	123,099
Total sales	78,306	95,453

Fund Performance

	Number of units in issue 31.8.23	Net asset value per unit 31.8.23	Net asset value per unit 28.2.23
A Accumulation units	23,875,099	129.47p	129.43p
A Income units	1,671,247	116.32p	116.56p
Q Accumulation units	22,032,823	138.01p	137.52p
S Accumulation units	242,648	134.74p	134.27p
S Income units	2,881,287	65.24p	65.38p
T Accumulation units	47,671,631	128.82p	128.41p
Z Accumulation units	204,554,403	127.97p	127.63p
Z Income units	28,374,804	117.39p	117.64p

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.

Review of Investment Activities

From 28 February 2023 to 31 August 2023, the price of Z Accumulation units on a dealing price rose by 0.31%. In the same period, the UK Consumer Price Index increased by 3.53%¹.

There were mixed returns across asset classes over the six months under review. Within the fixed interest space, very short-dated instruments delivered small gains, thanks to central bank rates that are at their highest levels in over a decade. However, more duration-sensitive bonds were weaker, with long-dated global government debt suffering losses as yields climbed against a backdrop of heavier bond issuance and shift to 'higher for longer' interest rate expectations. This occurred as bond investors welcomed a deceleration in inflation, but a more resilient economic backdrop than forecast at the beginning of the year. Corporate debt modestly outperformed as spreads gently narrowed.

Further up the risk curve, equities were the primary beneficiary of this year's positive growth story, albeit with varied returns across regions. In the US, enthusiasm over generative Artificial Intelligence (AI) helped to fuel a recovery in risk appetite, with seven mega cap growth names driving the bulk of gains for the market. Japanese equities were even stronger in local currency terms, buoyed by optimism over changing corporate attitudes towards capital allocation and shareholder returns. European stock markets also ended higher, albeit only moderately. However, UK equities declined, while weakness in China weighed on Asian and emerging market equities, with mainstream indices here suffering losses in sterling terms.

After a period of strong performance for the Fund, returns were broadly flat over the past six months, trailing UK CPI but marginally beating the IA peer group average. We experienced mixed performance across the portfolio, with the widest range of returns among our equity holdings.

On the positive side, Schroder ISF Global Gold and Man GLG Japan CoreAlpha Equity Fund delivered healthy gains and made the strongest contribution to fund returns. For Schroder ISF Global Gold, all of the gains came at the beginning of the period, as rising gold prices boosted the share prices of gold miners. For Man GLG Japan CoreAlpha Equity Fund, returns were more modest but less volatile, with Japan attracting net inflows from foreign investors in each of the six months under review. On the negative side, our UK equity exposure detracted, with GAM UK Equity Income Fund and Jupiter UK Special Situations Fund suffering the steepest losses. Here, the performance of the UK market was clearly unhelpful, while style factors presented an additional headwind as Value stocks lagged.

Within the cash and fixed interest segment of the portfolio, our decision to maintain a sizeable allocation to Schroder SSF Sterling Liquidity Plus proved rewarding, given its elevated yield and focus on capital preservation. However, a position in the iShares USD Treasury Bond 20+yr ETF (GBP hedged) detracted, as long-dated Treasury prices slipped amid renewed selling pressure for US government debt.

Finally, the performance of our alternatives holdings ranged from small positive to small negative returns. Man GLG UK Absolute Value Fund was the best performer, delivering alpha on both the long and short side of the portfolio, though the latter driving gains for the book. At the other end of the table, Iguana Investments Long/Short Equity Fund had a more difficult time, though this comes after a very strong year for the manager in 2022.

In terms of portfolio activity, we made a number of changes to the portfolio, with three holdings sold and four new names introduced. Within fixed interest, we divested from the iShares USD Treasury Bond 20+yr ETF (GBP hedged), modestly reducing the duration profile of our US Treasury allocation while at the same time adding exposure to UK duration through iShares Core UK Gilts ETF. Within alternatives, we divested from Odey Swan Fund and Liontrust GF Tortoise Fund, reinvesting the proceeds in a combination of existing positions and new holdings in Invenomic US Equity Long/Short UCITS Fund, Man Funds VI plc-Man GLG Alpha Select Alternative and Man Funds VI plc – Man GLG Asia Pacific ex-Japan Equity Alternative Fund.

Concerning overall positioning, we remain of the view that the risk/reward stands out as particularly appealing to us outside of the US market and in the Value space. Within equities, we are seeking to take advantage of this through allocations to the UK, Japan and Emerging Markets. Within alternatives, we are predominantly allocated towards long/short strategies that range from market neutral to flexible, each with a strong valuation discipline. Within cash and fixed interest, we remain defensively positioned. This means maintaining a sizeable allocation to very short-dated instruments and limiting our exposure to credit risk within fixed interest. We should add that positions in gold and gold equities, which have increased this year, provide indirect interest rate sensitivity.

We are carefully evaluating macroeconomic and market developments and will continue to position the portfolio where we believe the most attractive risk/reward opportunities reside given our read of the situation.

¹ 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.

Head of Multi-Manager: Robin McDonald



Robin is Head of the Multi Manager team
Joined Schroders in July 2013 following the acquisition of Cazenove Capital

Previous to the acquisition he was a Fund Manager at Cazenove Capital, which he joined in October 2007, responsible for co-managing the multi manager fund range as well as a few segregated mandates
Prior to this Robin was a Multi Manager Analyst at Gartmore, a position he held from September 2003

Up to this time he worked as a Multi Manager Analyst for Insight Investment Management, following its acquisition of Rothschild Asset Management in 2003, which he joined in 2001

Robin began his career in September 1999 when he joined Bank of New York (Europe) Limited as a Client Relationship Executive

Robin is a CFA charter holder

Co-Fund Manager: Joe Le Jéhan



Joined Schroders in July 2013 following the acquisition of Cazenove Capital

Previous to the acquisition he was a Fund Manager in the Multi Manager team at Cazenove Capital from January 2013, a firm he joined in March 2008 as an Analyst

Prior to this, Joe was a Fund Analyst at Brewin Dolphin, a position he held from January 2005

Joe began his career in September 2000, as an Associate on Retail Funds in the Assurance and Business Advisory Division at PricewaterhouseCoopers

Joe is a CFA charter holder

Co-Fund Manager: Geoff Challinor



Joined Schroders in September 2019 as a Fund Manager within the Multi-Manager team

Prior to this, Geoff was a Senior Investment Analyst at Saunderson House, which he joined in September 2007

His role focused on fund selection and asset allocation with specific responsibility for US and Japanese equities

Geoff is a CFA charterholder

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 losses on the property of the Fund for the period.

In preparing the accounts the Manager is required to:

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

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

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

S. Reedy

Directors

24 October 2023

P. Chislett

Portfolio Statement

	Holding at 31.8.23	Market Value £000's	% of net assets
Collective Investment Schemes 99.41% (98.89%)			
Absolute Return Funds 6.97% (19.11%)			
Man GLG UK Absolute Value Fund - Professional Accumulation (Class CX)^	20,600,000	29,396	6.97
		29,396	6.97
Asia Pacific ex Japan Equity Funds 4.51% (0.00%)			
Man Funds VI plc-Man GLG Asia Pacific ex-Japan Equity Alternative- Class INF H GBP Shares	190,000	19,044	4.51
		19,044	4.51
Cash Funds 24.20% (23.05%)			
Schroder SSF Sterling Liquidity Plus - Class I Accumulation GBP^†	806,500	102,111	24.20
		102,111	24.20
Commodity Funds 7.43% (0.59%)			
iShares Physical Gold ETC (USD) Acc	165,000	4,921	1.17
Schroder ISF Global Gold - Class C Distribution GBP Hedged^†	407,500	26,423	6.26
		31,344	7.43
Global Emerging Markets Equity Funds 1.29% (1.18%)			
Artemis Global Emerging Markets Fund - Class I Accumulation shares GBP^	3,200,000	5,445	1.29
		5,445	1.29
Global Equity Funds 4.48% (9.80%)			
Heptagon Capital - Kopernik Global All-Cap Equity Fund - Class C (USD)^	123,500	18,532	4.39
JOHCM Global Opportunities Fund - X - Hedged GBP^	300,000	354	0.09
		18,886	4.48
Global Fixed Interest Funds 7.84% (9.45%)			
Invesco Tactical Bond Fund (UK) - Income (No Trail) Share Class^	28,200,000	33,090	7.84
		33,090	7.84

	Holding at 31.8.23	Market Value £000's	% of net assets
Hedge Funds 11.37% (3.04%)			
GMO Equity Dislocation Investment Fund - Class A USD Accumulation	915,000	20,075	4.76
Man Funds VI plc-Man GLG Alpha Select Al- ternative-Class IN GBP Shares	120,008	14,021	3.32
MontLake UCITS Platform ICAV - Invenomic US Equity Long/ Short UCITS Fund - GBP Institutional Pooled Class Shares	112,500	13,887	3.29
		47,983	11.37
Japanese Equity Funds 5.34% (4.11%)			
Man GLG Japan CoreAlpha Equity Fund - Class I H GBP Shares^	1,500	466	0.11
Man GLG Japan CoreAlpha Fund - Professional Income Shares (Class D)^	8,100,000	22,088	5.23
		22,554	5.34
Multi Asset Funds 4.94% (7.38%)			
Iguana Investments Long/Short Equity Fund Class B GBP^	19,300,000	20,838	4.94
		20,838	4.94
UK Equity Funds 14.51% (17.20%)			
GAM UK Equity Income Fund - Class Z GBP income^	2,830,000	27,418	6.50
Jupiter UK Special Situations Fund - I-Class Accumulation Units^	9,800,000	29,718	7.04
TM Redwheel UK Equity Income Fund - Class L (Income)^	4,000,000	4,112	0.97
		61,248	14.51
UK Fixed Interest Funds 3.38% (0.00%)			
Invesco Fixed Interest Corporate Bond Fund - Income (No Trail) Share Class	1,700,000	1,735	0.41

Portfolio Statement (continued)

	Holding at 31.8.23	Market Value £000's	% of net assets
iShares Core UK Gilts Fund - GBP (Dist) Share Class	1,250,000	12,512	2.97
		14,247	3.38

	Holding at 31.8.23	Market Value £000's	% of net assets
US Fixed Interest Funds 3.15% (3.98%)			
iShares USD Treasury Bond 7-10yr Fund - GBP Hedged (Dist) Share Class	3,035,000	13,290	3.15
		13,290	3.15
Collective Investment Schemes total		419,476	99.41
Portfolio of investments		419,476	99.41
Net other assets		2,484	0.59
Net assets attributable to unitholders		421,960	100.00

The comparative percentage figures in brackets are as at 28 February 2023.

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

^ Unlisted, suspended or delisted security.

† A related party to the Fund.

1 Cash equivalents.

Statement of Total Return (unaudited)

For the six months ended 31 August 2023

	31.8.23		31.8.22	
	£000's	£000's	£000's	£000's
Income				
Net capital losses		(1,028)		(1,624)
Revenue	3,421		2,133	
Expenses	(1,494)		(1,268)	
Net revenue before taxation	1,927		865	
Taxation	-		-	
Net revenue after taxation		1,927		865
Total return before distributions		899		(759)
Distributions		(1,935)		(866)
Change in net assets attributable to unitholders from investment activities		(1,036)		(1,625)

Statement of Change in Net Assets Attributable to Unitholders (unaudited)

For the six months ended 31 August 2023

	31.8.23		31.8.22	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		375,727 [^]		337,899
Amounts receivable on issue of units	59,560		17,097	
Amounts payable on cancellation of units	(14,116)		(15,222)	
		45,444		1,875
Dilution adjustment		1		-
Change in net assets attributable to unitholders from investment activities		(1,036)		(1,625)
Retained distribution on Accumulation units		1,824		812
Closing net assets attributable to unitholders		421,960		338,961[^]

[^] The opening net assets attributable to unitholders for the current period do not equal the closing net assets attributable to unitholders for the comparative period as they are not consecutive periods.

Balance Sheet (unaudited)

As at 31 August 2023

	31.8.23	28.2.23
	£000's	£000's
Assets		
Investments	317,365	284,937
Current assets		
Debtors	1,580	1,298
Cash and bank balances	1,628	12,784
Cash equivalents	102,111	86,625
Total assets	422,684	385,644
Liabilities		
Creditors		
Distributions payable	(176)	(76)
Other creditors	(548)	(9,841)
Total liabilities	(724)	(9,917)
Net assets attributable to unitholders	421,960	375,727

Notes to the Accounts (unaudited)

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.

The accounting policies applied are consistent with those of the annual accounts for the year ended 28 February 2023 and are described in those annual accounts.

General Information

Manager

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

Investment Adviser

Schroders 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 non-UCITS retail scheme for the purpose of the categorisation of the Collective Investment Schemes sourcebook.

Value Assessment

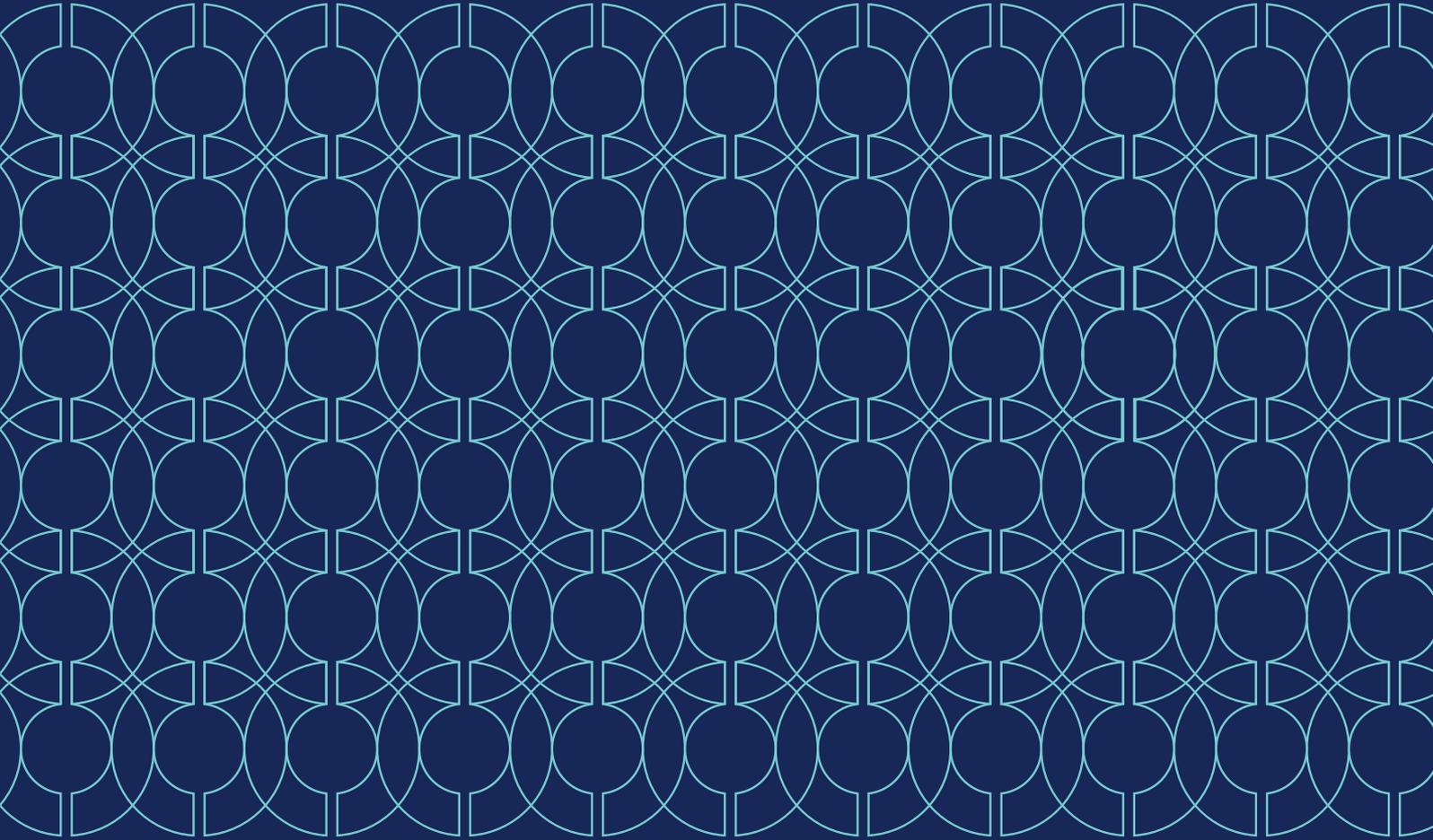
A statement on the Assessment of Value is published on the Global Fund Centre in the Fund Literature section at www.Schroders.com within 4 months of the annual 'reference date' 31 December.

Task Force on Climate-Related Financial Disclosures

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

Other information

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



EST. 1804

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

Issued in October 2023 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.