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¹ Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

The Schroder Income Fund (the 'Fund') aims to provide income and capital growth in excess of the FTSE All Share (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 UK companies.

The Fund is actively managed and invests at least 80% of its assets in a concentrated range of equity and equity related securities of UK companies. These are companies that are incorporated, headquartered or have their principal business activities in the UK. The Fund typically holds 30 to 50 companies.

The Fund focuses on companies that have certain "Value" characteristics. Value is assessed by looking at indicators such as cash flows, dividends and earnings to identify securities which the Investment Manager believes have been undervalued by the market.

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 or 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 FTSE All Share (Gross Total Return) Index, and compared against the MSCI UK Value (Gross Total Return) Index and the Investment Association UK Equity Income 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 benchmarks have been selected because the Investment Manager and the Manager believe that each of these benchmarks is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Total purchases and sales

| | For the period to 25.8.22 £000's | For the year to 25.2.22 £000's |
|-----------------|--|--------------------------------------|
| Total purchases | 276,661 | 451,239 |
| Total sales | 682,302 | 449,015 |

Fund Performance

| | Number of units in issue 25.8.22 | Net asset value per unit 25.8.22 | Net asset value per unit 25.2.22 |
|----------------------|--|--|--|
| A Accumulation units | 1,563,840 | 10,499.96p | 11,076.60p |
| A Income units | 4,777,355 | 1,095.74p | 1,173.51p |
| L Accumulation units | 289,180,732 | 84.23p | 88.50p |
| L Income units | 84,974,476 | 59.08p | 63.01p |
| Q Income units | 40,618,083 | 59.23p | 63.12p |
| S Accumulation units | 105,316,710 | 75.21p | 78.91p |
| S Income units | 91,569,312 | 58.12p | 61.90p |
| Z Accumulation units | 417,081,771 | 113.44p | 119.23p |
| Z Income units | 290,744,739 | 72.82p | 77.70p |

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 25 February 2022 to 25 August 2022, the price of Z Accumulation units on a dealing price basis fell 3.15%. In the same period, the FTSE¹ All Share Index generated a total return of 0.81%².

Equities struggled to make progress as they sold off sharply towards the end of the period amid a deepening European energy crisis, signs central banks would not stop tightening monetary policy and growing recession fears. The Fund underperformed the broader market.

Key individual contributors included education publisher Pearson, cigarette manufacturer Imperial Brands and US pharmaceutical group Pfizer amid the trend for larger cap and traditionally defensive areas of the market to have outperformed. NatWest Group was another positive contributor as the rising interest rate environment is beneficial for banks as they can price loans at higher rates. Interdealer broker TP ICAP Group was also among our top contributors. On the negative side, postal services group Royal Mail, high street retailer Marks & Spencer Group, advertising group WPP and supermarket J Sainsbury detracted. Meanwhile, Provident Financial negatively impacted performance as its credit cards business Vanquis has struggled both during and since the pandemic as consumer confidence and credit spending has yet to fully recover. We established new positions in electrical retailer Currys, broadcaster ITV, home improvement retailer Kingfisher, housebuilder Taylor Wimpey and global energy company Woodside Energy Group. We did not dispose of any existing holdings in the period.

Whilst the UK market is marginally lower year to date in absolute terms, on a market cap weighted basis the median company share price is down considerably. The differential in performance between the largest stocks, and the 250 stocks behind them is the greatest on record, reaching three standard deviations in May, rapidly changing the opportunity set.

Co-Fund Manager:
Nick Kirrage



Co-manager of UK Income, UK Recovery, Global Recovery and Global Income strategies

Founding member of the Global Value Team in 2013

Investment career commenced in 2001 within Schroders' Pan European research team

Previously analyst responsible for a number of sectors including Transport, Metals & Mining and Aerospace and Defence sectors

CFA Charterholder

Degree in Aeronautical Engineering, Bristol University

Co-Fund Manager:
Kevin Murphy



Specialist Value UK equities fund manager with twenty one years investment experience

Previously a sector analyst for Pan European Construction and Building Materials

Founding member of the Global Value Team in 2013

Investment career commenced at Schroders in 2000

Chartered Financial Analyst

Degree in Economics, Manchester University

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² Source: Refinitiv Eikon Datastream.

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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 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 period. 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 period ended 25 August 2022 were signed on 14 October 2022 on behalf of the Manager by:

P. Chislett
Directors

P. Truscott

Portfolio Statement

| | Holding at 25.8.22 | Market Value £000's | % of net assets |
|--|-----------------------|------------------------|--------------------|
| Equities 97.13% (97.03%) | | | |
| Basic Materials 8.33% (10.25%) | | | |
| Anglo American | 1,346,559 | 39,313 | 2.91 |
| BHP Group | 852,212 | 21,293 | 1.57 |
| Rio Tinto | 481,569 | 23,842 | 1.76 |
| South32 | 11,187,636 | 28,193 | 2.09 |
| | | 112,641 | 8.33 |
| Consumer Discretionary 13.40% (7.89%) | | | |
| Currys | 19,252,130 | 11,340 | 0.84 |
| ITV | 50,355,776 | 32,238 | 2.39 |
| Kingfisher | 8,193,822 | 19,083 | 1.41 |
| Marks & Spencer Group | 22,122,620 | 26,901 | 1.99 |
| Pearson | 5,393,996 | 47,057 | 3.48 |
| Taylor Wimpey | 14,791,661 | 16,249 | 1.20 |
| WPP | 3,716,668 | 28,276 | 2.09 |
| | | 181,144 | 13.40 |
| Consumer Staples 12.00% (12.61%) | | | |
| British American Tobacco | 1,042,742 | 35,933 | 2.66 |
| Imperial Brands | 2,750,281 | 51,650 | 3.82 |
| J Sainsbury | 18,741,953 | 39,021 | 2.89 |
| Tesco | 13,878,857 | 35,599 | 2.63 |
| | | 162,203 | 12.00 |
| Energy 11.87% (12.43%) | | | |
| BP | 11,602,331 | 53,301 | 3.94 |
| Eni | 4,830,795 | 50,987 | 3.77 |
| Shell | 2,282,834 | 52,939 | 3.92 |
| Woodside Energy Group | 153,994 | 3,200 | 0.24 |
| | | 160,427 | 11.87 |
| Financials 26.48% (27.01%) | | | |
| Aviva | 9,831,304 | 41,773 | 3.09 |
| Barclays | 26,194,579 | 43,001 | 3.18 |
| HSBC Holdings | 8,835,963 | 46,168 | 3.42 |
| Legal & General Group | 14,551,647 | 37,601 | 2.78 |
| Lloyds Banking Group | 70,208,984 | 31,117 | 2.30 |
| M&G | 18,766,537 | 37,158 | 2.75 |
| NatWest Group | 13,914,585 | 35,190 | 2.60 |
| Provident Financial | 9,858,937 | 17,362 | 1.28 |
| Standard Chartered | 7,412,779 | 43,869 | 3.25 |
| TP ICAP Group | 15,883,850 | 24,731 | 1.83 |
| | | 357,970 | 26.48 |
| Health Care 8.26% (9.42%) | | | |
| Euroapi | 12,982 | 171 | 0.01 |
| GSK | 2,310,128 | 32,120 | 2.38 |

| | Holding at 25.8.22 | Market Value £000's | % of net assets |
|---|-----------------------|------------------------|--------------------|
| Pfizer | 809,836 | 32,434 | 2.40 |
| Sanofi | 221,198 | 15,017 | 1.11 |
| Viatis | 3,735,205 | 31,872 | 2.36 |
| | | 111,614 | 8.26 |
| Industrials 3.68% (3.44%) | | | |
| Rolls-Royce Holdings | 20,823,911 | 16,769 | 1.24 |
| Royal Mail | 12,376,524 | 32,934 | 2.44 |
| | | 49,703 | 3.68 |
| Real Estate 2.73% (3.19%) | | | |
| Land Securities Group | 5,627,513 | 36,928 | 2.73 |
| | | 36,928 | 2.73 |
| Technology 2.90% (2.51%) | | | |
| Intel | 1,335,567 | 39,158 | 2.90 |
| | | 39,158 | 2.90 |
| Telecommunications 4.42% (4.98%) | | | |
| BT Group | 20,473,842 | 31,253 | 2.31 |
| Vodafone Group | 24,466,269 | 28,518 | 2.11 |
| | | 59,771 | 4.42 |
| Utilities 3.06% (3.30%) | | | |
| Centrica | 50,755,310 | 41,325 | 3.06 |
| | | 41,325 | 3.06 |
| Equities total | | 1,312,884 | 97.13 |
| Forward Foreign Currency Contracts (0.47)% (0.15%) | | | |
| Buy EUR 1,932,000 Sell GBP 1,632,560 07/09/2022 | | (1) | 0.00 |
| Buy USD 6,539,000 Sell GBP 5,415,385 07/09/2022 | | 113 | 0.01 |
| Sell EUR 2,828,000 Buy GBP 2,390,094 07/09/2022 | | 3 | 0.00 |
| Sell USD 4,698,000 Buy GBP 3,991,371 07/09/2022 | | 19 | 0.00 |
| Buy EUR 28,843,000 Sell GBP 24,261,813 07/09/2022 | | 89 | 0.00 |
| Buy EUR 23,515,000 Sell GBP 20,190,167 07/09/2022 | | (338) | (0.03) |
| Buy USD 57,779,000 Sell GBP 47,664,411 07/09/2022 | | 1,186 | 0.09 |
| Sell EUR 124,830,000 Buy GBP 106,996,209 07/09/2022 | | 1,609 | 0.12 |
| Sell USD 188,792,000 Buy GBP 150,675,613 07/09/2022 | | (8,943) | (0.66) |
| Forward Foreign Currency Contracts total | | (6,263) | (0.47) |
| Portfolio of investments | | 1,306,621 | 96.66 |
| Net other assets | | 45,088 | 3.34 |
| Net assets attributable to unitholders | | 1,351,709 | 100.00 |

The comparative percentage figures in brackets are as at 25 February 2022.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

Statement of Total Return (unaudited)

For the six months ended 25 August 2022

| | 25.8.22 | 25.8.21 |
|--|------------------|----------------|
| | £000's | £000's |
| Income | | |
| Net capital (losses)/gains | (142,552) | 155,725 |
| Revenue | 58,079 | 42,940 |
| Expenses | (8,013) | (7,820) |
| Net revenue before taxation | 50,066 | 35,120 |
| Taxation | (662) | (619) |
| Net revenue after taxation | 49,404 | 34,501 |
| Total return before distributions | (93,148) | 190,226 |
| Distributions | (30,369) | (15,687) |
| Change in net assets attributable to unitholders from investment activities | (123,517) | 174,539 |

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

For the six months ended 25 August 2022

| | 25.8.22 | 25.8.21 |
|---|------------------------|------------------------------|
| | £000's | £000's |
| Opening net assets attributable to unitholders | 1,900,748 [^] | 1,541,445 |
| Amounts receivable on in-specie transfers | 28,247 | - |
| Amounts receivable on issue of units | 168,733 | 219,286 |
| Amounts payable on cancellation of units | (636,903) | (181,807) |
| | (468,170) | 37,479 |
| Dilution adjustment | 613 | 700 |
| Change in net assets attributable to unitholders from investment activities | (123,517) | 174,539 |
| Retained distribution on Accumulation units | 13,788 | 9,017 |
| Closing net assets attributable to unitholders | 1,351,709 | 1,763,180[^] |

[^] 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 25 August 2022

| | 25.8.22 | 25.2.22 |
|---|------------------|------------------|
| | £000's | £000's |
| Assets | | |
| Investments | 1,315,903 | 1,847,458 |
| Current assets | | |
| Debtors | 20,121 | 12,270 |
| Cash and bank balances | 38,182 | 73,459 |
| Total assets | 1,374,206 | 1,933,187 |
| Liabilities | | |
| Investment liabilities | (9,282) | (270) |
| Creditors | | |
| Distributions payable | (5,705) | (23,512) |
| Other creditors | (7,510) | (8,657) |
| Total liabilities | (22,497) | (32,439) |
| Net assets attributable to unitholders | 1,351,709 | 1,900,748 |

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 accounting policies applied are consistent with those of the annual accounts for the year ended 25 February 2022 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

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

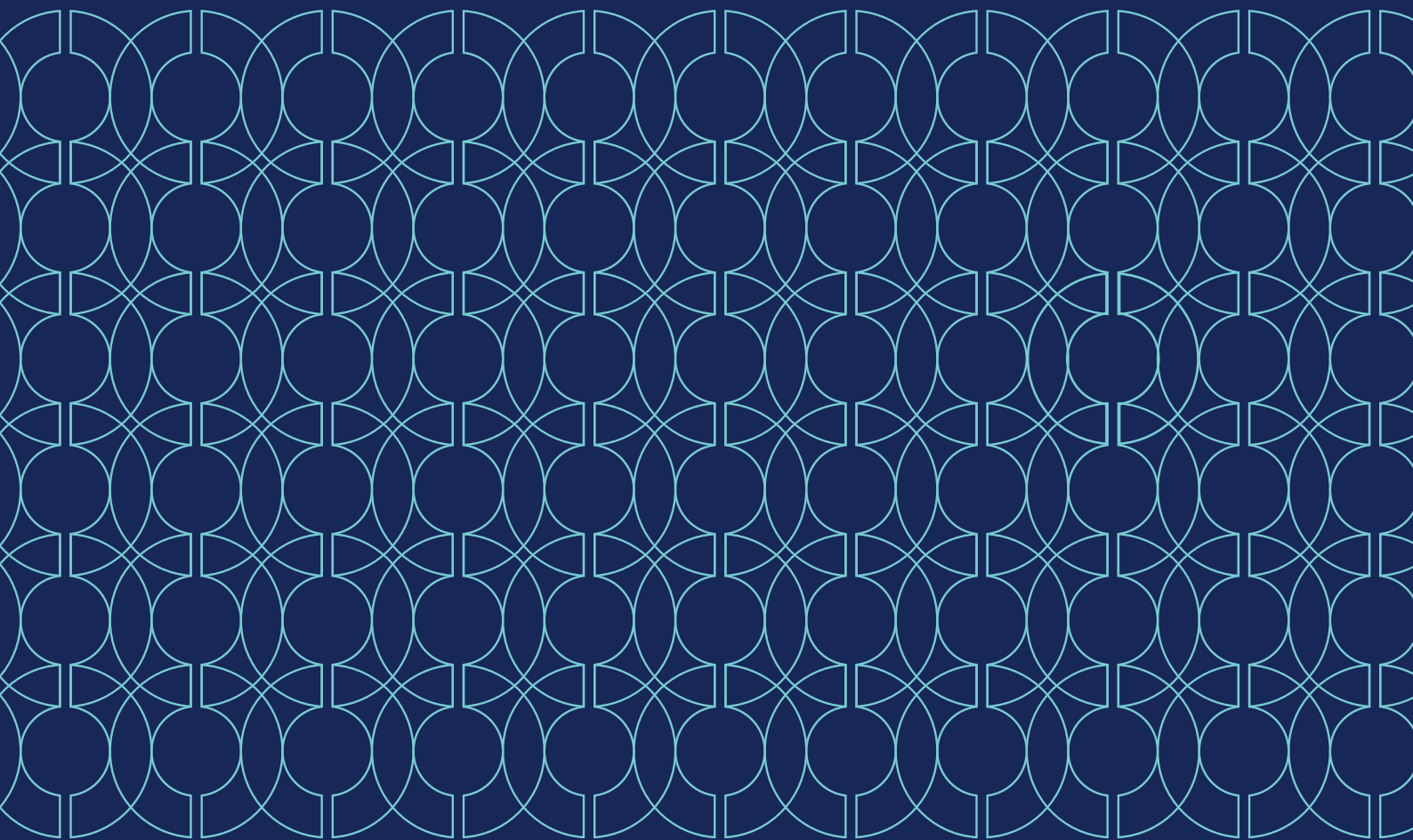
The Fund is an authorised unit trust and is constituted pursuant to the Collective Investment Schemes sourcebook and is structured as a Trust. The Fund is a UCITS scheme for the purpose of the categorisation of the Collective Investment Schemes sourcebook.

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 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.



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.

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