Schroder British Opportunities Trust plc

Half Year Report and Accounts
For the six months ended 30 September 2023

Schroders

Overview

Investment Objective

The Company's investment objective is to deliver long-term total returns throughout the life of the Company by investing in a diversified public equity and private equity portfolio of predominantly UK companies.

Why Invest in SBO?

- A differentiated public and private investment strategy investing in high growth small & mid-sized UK companies.
- Provides access to a far larger universe of high quality, high growth UK companies than available from purely public markets.
- Executed by an established team of experienced investment professionals with strong track records, proven processes and extensive networks.
- A portfolio that aims to target companies that support the United Nations Sustainable Development Goals.

Financial Highlights

Shareholders' funds

£77.3m

31 March 2023: £79.3m

Share price discount to NAV per share

30.0%

31 March 2023: 36.2%

Share price

73.25p

31 March 2023: 68.50p

NAV per share

104.66p

31 March 2023: 107.32p

Shares in issue

73.9m

31 March 2023: 73.9m

Gearing/(net cash)[1]

(10.5)%

31 March 2023: (9.8)%

NAV per share total return

(2.5)%

Share price total return

6.9%

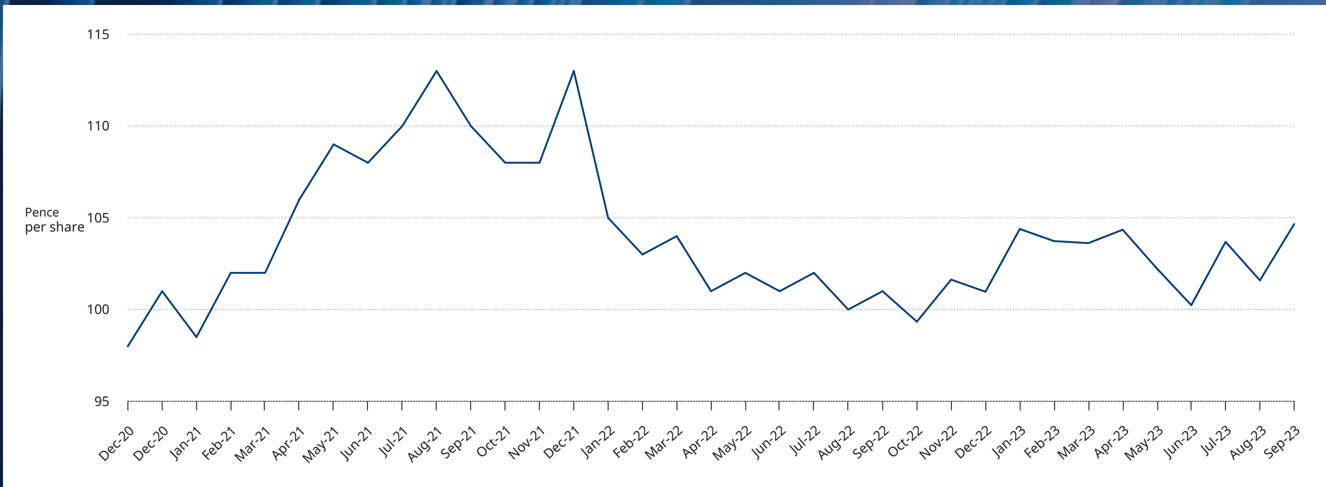
[1]Borrowings used for investment purposes, less cash, expressed as a percentage of net assets. The Company currently has no borrowings, so this is shown as a negative, net cash figure.

Company Profile

The Company aims to provide a NAV total return of 10% per annum (once the Company is fully deployed across the target allocation between public and private equity investments) over the life of the Company.

Key Performance Indicators

NAV per share since launch[1]



[1]Source: Morningstar/Schroders.

Share price (discount)/premium to NAV per share[1]

[1]Source: Morningstar/Schroders.

Contents

Interim Management Report

Interim Management Report

Chairman's Statement

Introduction

This report covers your Company's progress in the six months to 30 September 2023 and its financial position at that date.

Investment Strategy

Your Company invests in a diversified mix of public and private companies, either UK based or generating a significant proportion of their revenues from the UK. The investment team look for companies with the potential for high growth along with strong ESG credentials, a combination that we believe will create shareholder value over time. Our objective is to provide long term, sustainable capital growth.

Performance

During the six month period to 30 September 2023, the net asset value ("NAV") per share decreased by 2.5% from 107.32 pence per share to 104.66 pence per share. This reflects markedly different performance from the public and private investments.

Net asset value attribution[1]

	6 months to 30.09.23	1 year to 30.09.23	Since IPO to 30.09.23
Public	–4.9%	–2.0%	–17.7%
Private	2.9%	6.8%	27.2%
Other	–0.5%	–1.2%	–4.4%
Total	–2.5%	3.6%	5.2%

The public segment of the portfolio has suffered from lower sales and profit multiples as UK equity market sentiment, particularly toward the mid and small cap stocks, continues to be weak. Capital outflows from equities have increasingly been allocated to safe haven investments such as cash, gilts and gold. During the period, the Bank of England raised interest rates from 4% to 5.25% which had further negative impacts on the valuation of UK growth shares. The public investments' valuation reduction is frustrating, but the Portfolio Manager's investment thesis is based on the potential for growth and value accretion over the medium to long term. They believe that their strategy remains valid despite current market negatives.

By contrast, the private segment of the portfolio has seen a valuation increase as the companies we have invested in have generally shown robust revenue growth and continue to increase market share. The net increase in the value of the private equity portfolio in the most recent quarter represents the 11th consecutive quarter of increases since the Company's IPO. This increase is despite public market comparators negatively impacting our private company valuations. The attribution table above explains how the two segments of the portfolio have developed in the period and since IPO. Shareholders approved the removal of the 60% limit of NAV held in private companies (at the AGM in September 2022) as the Portfolio Manager believed that this would offer the best opportunities over the past year. The results we are now reporting validate this view.

Importantly, the underlying operational and financial performance of the vast majority of our portfolio companies has been strong. Our private equity portfolio companies continue to show resilience in challenging times. By way of example, six of the nine private equity companies were EBITDA[2] positive, and their weighted average EBITDA margin was 44%. Over the period, the key drivers of performance from the portfolio were EasyPark and Pirum both of which are progressing ahead of their original investment cases.

Notwithstanding the fall in net asset value per share, the Company's share price increased by 6.9% to 73.25p at the period end. The improvement in share price was driven by a reduction in the discount to NAV to 30.0% at 30 September 2023. This was against a backdrop of widening discounts across the whole investment trust sector, and private equity trusts remaining on material discounts relative to the wider investment trust space.

At period end, our portfolio consisted of nine private companies (65% of NAV), 23 public companies (27% of NAV), and cash and cash equivalents of £8.2m (10% of NAV). Our Top 10 holdings represented 73% of total investments.

The Portfolio Manager's report, beginning on page 7, includes a detailed review of the portfolio, individual company performance, and investment transactions in the period.

Valuations

As I have reported previously, public investments are obviously valued at the listed share price and the private portfolio has valuations developed by a specialist valuations team within Schroders. This team is independent from the Portfolio Manager. In general, we use public market comparable companies to avoid insulating the private valuations from the broader market. Valuations are calculated using established methodologies and public market comparators in accordance with International Private Equity and Venture Capital guidelines. The output from the Schroders independent specialist valuations team is reviewed by the Valuations Committee, the Board and, in respect of the annual results, by the Company's external auditors. Shareholders

1 "Total" represents the percentage change in NAV over a given period. The percentages shown for public, private and other represent the contribution to the total change in NAV over a given period. For public and private, this is based on fair value gains and losses.

2 EBITDA = Earnings Before Interest, Tax, Depreciation, and Amortisation. EBITDA is a measure of core corporate profitability. EBITDA is a valuation metric used to compare relative value of different businesses. EBITDA margin is a profitability ratio that compares the EBITDA of a company to its net revenue.

can be assured that your Board is cognisant of scepticism toward private equity valuations due to a reduced level of transparency and leads a discursive and challenging process.

Discount Control

The Company's shares continued to trade at a discount to NAV during the period under review and up to the date of this report. There continue to be many examples of a disconnect between an investment company's share price and the value of its portfolio holdings. We believe this to be the case with your Company. We suffer from two forms of discount. First, the unwarranted discount of the UK market relative to peers and second, the discount applied to your Company, which we believe to be a result of exogenous factors. It does not reflect the aggregate operational performance of the Company's unquoted holdings since inception.

Buybacks are one of several mechanisms your Board actively considers to reduce this discount. The use of our cash reserves is a matter of regular review. We aim to balance the benefits of highly accretive buybacks when discounts are high against ensuring that we hold appropriate reserves to fund potential follow-on investments in the private portfolio and capture the best of the new investment opportunities that we continue to see. Given the current pipeline, particularly from companies that want to stay private for longer, and taking into consideration the current size of the trust, we have chosen not to buy back in the period.

Board

In September, we created a separate Valuations Committee to be chaired by Professor Tim Jenkinson, a leading authority on private equity and the mechanisms of valuation. This decision recognises the importance of the Board's oversight role on valuations and the need for shareholders to have confidence in the outcomes.

Diana Dyer Bartlett was appointed as Senior Independent Director in September 2023, in addition to her role as chair of the Audit & Risk Committee.

The Board intends to recruit a new non-executive director in the new year in order to bring the Board strength back to four. We aim to improve Board diversity when doing so.

Dividend

No dividend has been declared or recommended for the year. Your Company is focused on providing capital growth and has a policy to only pay dividends to the extent that it is necessary to maintain the Company's investment trust status.

Outlook

The world is an uncertain place as I write, and equity markets may well remain out of favour for the next few months. High interest rates and uncertainty over future rates have continued to be a major negative factor affecting investment companies that focus on growth. The assumption is that these companies will need cash to fund that growth and that will be expensive and/or difficult to get. Unfortunately, the market is not differentiating between those companies with genuine issues in this regard and those that have no such needs, as is the case with the vast bulk of our investments.

One result of this is that the price at which our shares are trading continues to significantly undervalue the Company as it does not reflect the strong fundamentals of our portfolio.

History suggests that within listed UK equities, small and medium sized growth companies are often the first to suffer in a bear market but also first to rerate on signs of recovery and a change in market sentiment. A reduction in interest rates may well be the trigger for this. UK inflation appears to have peaked, and some commentators are predicting a base rate reduction as early as Q2 2024. At the time of writing, we are experiencing some improvement in the share prices of our public investments. This has generated a post period end NAV increase of 4.7%.

Your Board expects that the patient shareholder will benefit when market sentiment changes and the value and quality of the underlying portfolio becomes appreciated.

Neil England
Chairman

1 December 2023

Portfolio Manager's Review

Rory Bateman

Tim Creed

Uzo Ekwue

Peraveenan Sriharan

Introduction

Summary

Financial performance

Resilient net asset value (NAV) performance since inception against challenging market backdrop

However, NAV decreased by 2.5% over 6 months to 30 September 2023 due to weakness in listed UK equity markets

- **Main positive performers over the 6 months:**
  - EasyPark (unquoted)
  - Pirum (unquoted)
  - Cera (unquoted)
- **Main negative performers over the 6 months:**
  - Watches of Switzerland (quoted)
  - Rapyd (unquoted)
  - Learning Technologies (quoted)

Portfolio overview

Focus on quality, growing and mostly profitable companies that have strong balance sheets and that can sustainably compound their earnings over the long run

Unquoted allocation focused on growth capital and small/mid-market buyout-stage companies, avoiding areas at greatest valuation risk

Main activity over the 6 months included:

- Keyword Studios (exit)
- City Pub Group (reduction of existing position)

Outlook

Opportunity in quoted UK companies

UK small and mid-caps have substantial re-rating potential in sustained economic recovery

While UK equities remain unloved compared to world markets, they are also highly cash generative

New drivers of PE market returns

Strategies focused on identifying companies that exhibit strong underlying financial performance poised to do well

Buy and build strategies also have potential to succeed

Future investments

£8.2m cash position (as at 30 September 2023) to deploy in volatile markets

Market

Over the six-month period to 30 September 2023, UK small and mid-cap stocks (SMIDs) underperformed against a backdrop of spiked interest rate expectations in early summer. Markets got ahead of themselves when they briefly anticipated that base rates would head north of 6% on the back of stronger-than-expected jobs, wage growth and core inflation data. This was reflected in higher long-term UK government bond yields. However, towards the end of the period, market interest rate expectations stabilised and the sell-off in long-term UK government bonds moderated. The expectation now is that near-term inflation will fall, and UK base interest rates may have peaked.

In private equity markets, global deal activity has fallen back to the normal pre-pandemic levels in terms of deal value and volume, following the exuberance of 2021. Exit activity remains muted compared to 2021. This lower level of deal activity, paired with relatively reduced fundraising levels, has kept valuations lower, with bigger valuation corrections noticed in small/mid-sized deals (<$1 billion enterprise value). Buyout performance has remained robust, despite the macroeconomic backdrop, with lower entry valuation and healthy EBITDA growth possibly explaining relatively strong performance despite cost pressures. While these observations come from global trend analysis, we believe these dynamics are also being reflected in the UK private equity market. Furthermore, we have observed the bid-ask spread between buyers and sellers closing during the second half of 2023, which should start to deliver a pipeline of attractive UK growth and buyout opportunities.

Portfolio Performance

Since the Company's IPO in December 2020, the net asset value has proved resilient despite a volatile market. However, the Company's NAV has fallen over the six-month period under review, predominantly due to weakness in listed UK equity markets. The private portfolio has continued to show positive momentum and strong underlying operational performance in aggregate.

Attribution analysis (£m) for six months to 30 September 2023

	Quoted	Unquoted	Net cash	Other	NAV
Value as at 31 March 2023	26.2	47.9	7.8	(2.6)	79.3
+ Investments	0.6	0.2	(0.8)	–	–
– Realisations at value	(1.9)	–	1.9	–	–
+/– Fair value gains/(losses)	(3.9)	2.3	–	–	(1.6)
+/– Costs and other movements	–	–	(0.8)	0.4	(0.4)
Value as at 30 September 2023	21.0	50.4	8.1	(2.2)	77.3

Component rows have been rounded

Main positive and negative performers over the six months to 30 September 2023

Top 5 contributors	Contribution %
EasyPark	2.2
Pirum	1.4
Cera	0.4
Bytes	0.4
Mintec	0.3

Bottom 5 contributors	Contribution %
Watches of Switzerland	–0.9
Rapyd	–0.9
Learning Technologies	–0.7
Learning Curve	–0.7
OSB	–0.6

The NAV as of 30 September 2023 was £77.3 million, a decrease of 2.5% compared with the NAV (£79.3 million) as of 31 March 2023. The 2.5% decrease in the net asset value was comprised of:

- Quoted holdings: –4.9%
- Unquoted holdings: 2.9%
- Costs and other movements: –0.5%

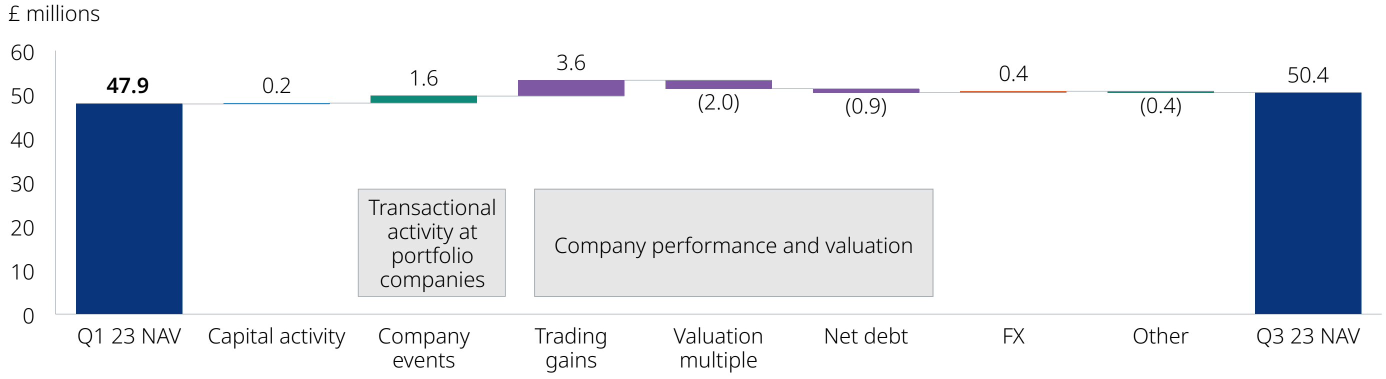
The public equity portfolio detracted from NAV performance over the period. These investments focus on small and medium-sized UK businesses, with a high weighting towards the consumer discretionary sector – both areas of the market that have struggled as rising interest rates have encouraged investors to seek safer havens, such as cash, bonds, and more defensive sectors.

Watches of Switzerland's ("WoS") shares unexpectedly fell over the market's concerns that Rolex's acquisition of luxury watch retailer Bucherer would hurt WoS' growth. However, we remain a shareholder given our view that the share price reaction was excessive, whilst we are optimistic of the equity story from the subsequent release of the new Long Range Plan. Elsewhere, workplace digital learning and talent management company, Learning Technologies, was a negative contributor, as the company announced an earnings downgrade citing tough markets primarily in its contracts business. Meanwhile, our position in specialist mortgage lender OSB Group also held performance back, after warning that its profits would be hampered by mortgage customers rushing to mitigate against rising interest rates. On the positive side, shares of software reseller Bytes Technology and premium British pub operator City Pub Group did well, following strong financial results. Performance was also helped by Dalata Hotel Group, which continued to grow its revenue per available room ahead of the industry.

The portfolio's private equity holdings have continued to perform well in aggregate, having increased in value every quarter since the Company's inception. The Company's focus on the 'growth capital' and 'buyout' areas of the private equity landscape, in contrast to venture capital and pre-IPO areas (which have been negatively impacted by rising inflation and interest rates) has been successful. Eight out of the nine companies in the Company's private equity portfolio are either profitable or, in our assessment, have cash runways to fund them through to profitability. The increase in the aggregate valuation of these holdings has been driven by transactional activity and trading gains, offset somewhat by valuation multiple compression, as illustrated below. Additionally, the private equity portfolio companies have continued to demonstrate robust organic and inorganic growth in aggregate, also illustrated on the next page.

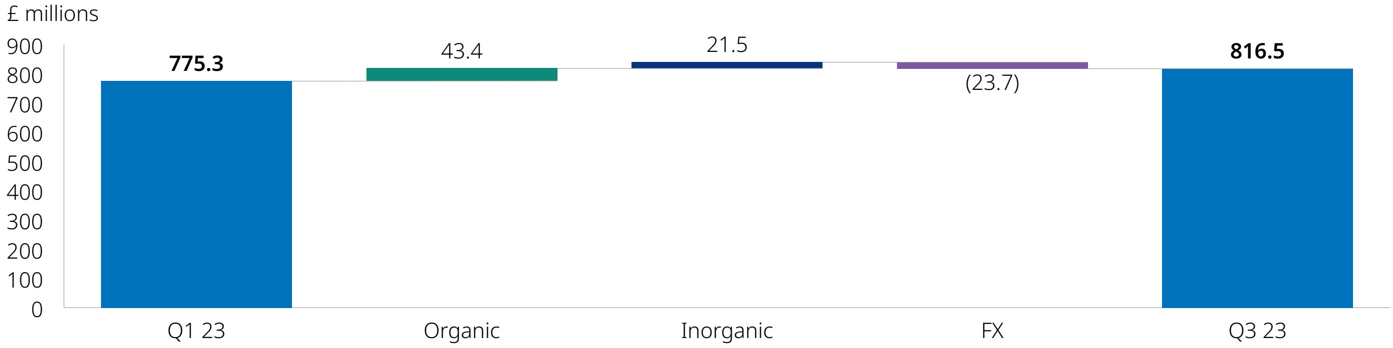
Private equity allocation attribution – six months to 30 September 2023

Transactional activity and trading gains have driven performance



EBITDA development of private equity allocation: six months to 30 September 2023

Continued robust organic and inorganic growth witnessed



Source: Schroders Capital, 2023

Focusing on the EBITDA-positive companies in the private equity portfolio, the profitability of these companies significantly exceeds those of selected and relevant public market comparables. This strong positive differential against listed comparators is also prevalent when assessing the combination of sales growth and profitability (referred to as the "rule of 40" and typically used in the software space). This rule acts as a proxy to help assess how effectively a company is utilising capital to achieve a balance between growth and profitability. Our applicable portfolio companies display metrics almost 1.8x higher than listed comparators on average. Despite these favourable metrics, these companies are being valued more prudently on aggregate than public comparators, as illustrated below.

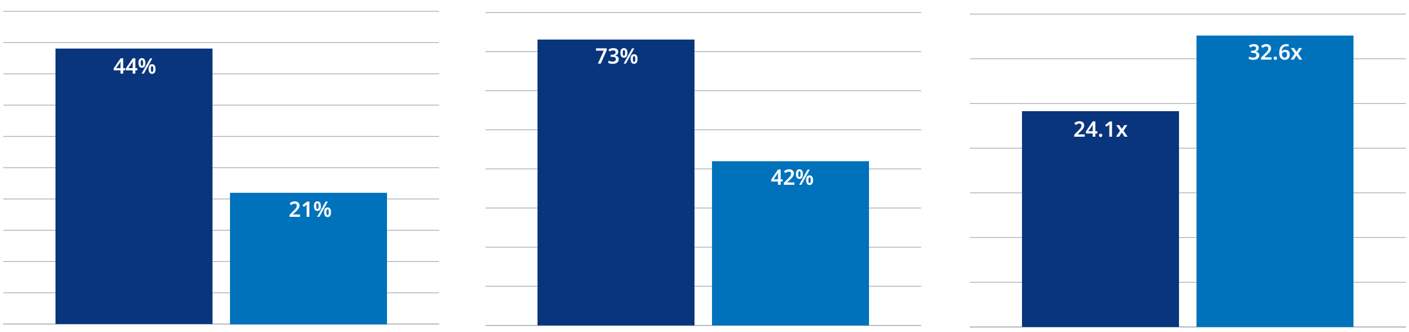
Strong profitability and continued growth in Company's PE portfolio

EBITDA-positive businesses valued at a significant discount to public markets

Profitability significantly exceeds public comparables...
EBITDA margin (%) – weighted average

...while more effectively utilising capital...
Rule of 40 (%)[1] - weighted average

...and continuing to be valued at a notable discount to public comparators
EV/EBITDA multiple (x)[2] – weighted average



Source: Schroders Capital, as at 30 September 2023. EV/EBITDA = Enterprise Value/Earnings Before Interest, Tax, Depreciation, and Amortisation. EBITDA is a measure of core corporate profitability. EV/EBITDA is a valuation metric used to compare relative value of different businesses. EBITDA margin is a profitability ratio that compares the EBITDA of a company to its net revenue.

1 The Rule of 40 is a principle that states a software company's combined revenue growth rate and profit margin should equal or exceed 40% to demand premium valuations.

2 Weighted average of EBITDA positive private equity portfolio companies that are valued using EBITDA multiple.

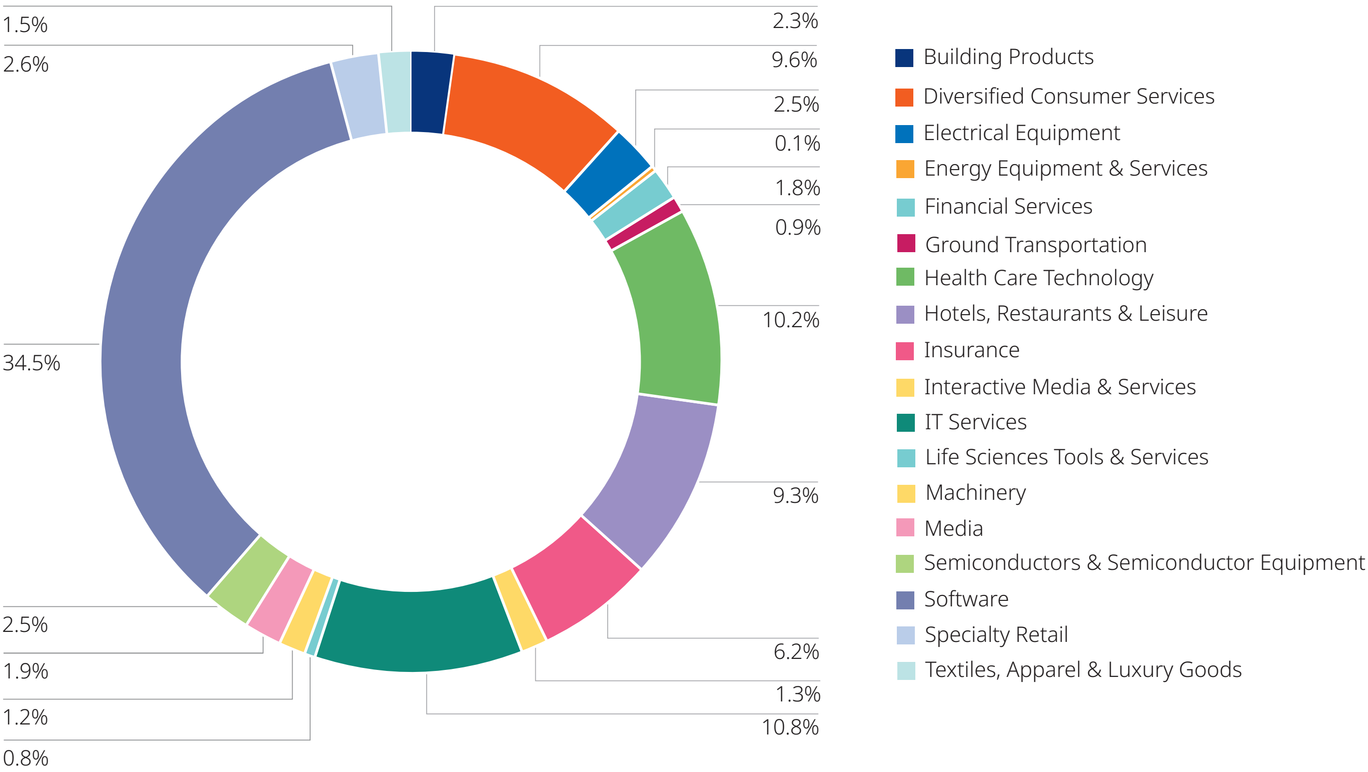
EasyPark and Pirum were the key positives in the period. EasyPark Group, one of the global leaders in mobile paid parking, recently announced its intention to acquire Flowbird Group. While the deal is subject to customary approvals by relevant authorities and the parties have agreed not to disclose the terms agreed, this has led to a positive re-rating of the Company's holding, adding c.£1.8 million to the NAV. This deal will be highly complementary to EasyPark's existing business and extend their global reach. Pirum, a leading provider of post-trade automation and collateral management technology for the global securities industry, has displayed strong sales and EBITDA growth, which has been reflected in a c.£1.1 million increase to its valuation in the period.

On the more challenging side, the valuations for both holdings in Rapyd and Learning Curve have come down over the past six months. Rapyd continues to grow, principally fuelled by its small and medium-sized customers. In August, the company announced the $610 million acquisition of a substantial part of PayU Global Payment Organisation, a leading provider of best-in-class payment solutions to emerging markets, operating in over 30 countries worldwide. This deal, which is subject to regulatory approval, will continue Rapyd's global expansion across Central and Eastern Europe and Latin America. Rapyd would then be present in over 100 countries, including 41 that are licensed or regulated, servicing 250,000+ customers. While the company continues to perform, the investment landscape in the payments sector remains challenging, with comparable businesses amending their long-term growth outlooks. As a result, the valuation multiple applied has been reduced, offsetting the company's positive financial performance, leading to a reduction in valuation over the period. The valuation for leading private UK training and education specialist, Learning Curve Group, has also been reduced due to some short-term demand weakness. We believe the longer-term outlook remains positive.

Portfolio Diversification

While having notable exposure to software, the portfolio is well-diversified across a number of growing industry sectors.

Portfolio breakdown by industry as % of total investments (30 September 2023)



Portfolio Changes

Early in the reporting period, we exited our holding in video games outsourcer Keywords Studios, as we believed the potential downside risk on parts of its business from artificial intelligence was not fully priced into its shares.

Finally, we modestly trimmed our position in City Pub Group following a period of robust share price performance, however we retained our holding given the significant discount to net asset value that the shares were trading at. The firm was subsequently bid for by competitor Young & Co's Brewery Plc on 16 November 2023 (after the period under review), at a price that was a 46% premium to the prior day's closing share price, thus making it the sixth company that has been bid for since the Company's inception. We have since exited our position at a profit.

Outlook

The public equity portion of the portfolio is weighted towards the consumer discretionary sector, which is sensitive to consumer confidence and interest rate sentiment. When clearer signs of a sustained economic recovery materialise and market sentiment substantially improves, we believe that both small and mid-caps and the consumer sector should be the first to re-rate. Our analysis shows that such market underperformance in the past by UK small and mid-caps has usually been followed by outperformance over three- to five-year periods relative to large cap companies in the FTSE 100. Aside from the relative valuation opportunity with UK equities remaining unloved relative to world markets in an historical context, in aggregate, they are also attractive as a result of their strong balance sheets. The valuation opportunity can also be looked at through the lens of free cash flow yields, with the UK having a higher yield than many other developed markets, making investing in the UK a compelling opportunity in our view.

While our public equity allocation suffered over the reporting period of six months to end September 2023, we have been encouraged with returns since, helped by positive sentiment around interest rate expectations, the announced bid for our largest holding City Pub Group, the first steps towards a realised break up of Ascential, and a buoyant move in MaxCyte's shares.

In private equity markets, with financial engineering unlikely to propel returns in the near term due to increased interest rates, inflation and macroeconomic uncertainty, we continue to believe that strategies focused on identifying companies that exhibit strong underlying financial performance are poised to do well. This may be achieved by the expansion of product lines, geographic footprint, and professionalising companies to improve profit margins, for example. This is all easier to do in small and medium-sized companies, and typically harder to achieve at larger companies, which have often been through several rounds of private equity or institutional ownership. Furthermore, despite the economic backdrop, we are seeing significant deal flow across a breadth of opportunities. We have established a formidable network in the UK (as well as globally) with hard-to-access investment partners, and strongly believe we are well positioned to seek out the best opportunities for the Company going forward.

The Company's differentiated public-private equity strategy enables us to continue to invest without boundaries, providing access to a broader investable universe which differentiates us from other investment trusts.

Schroder Investment Management Limited

1 December 2023

The Company's top ten holdings as of 30 September 2023 are set out below.

Top 10 holdings	Quoted/ unquoted	Fair value as of 31 March 2023 (£'000)	Total investments %	Fair value as of 30 September 2023 (£'000)	Total investments %
Mintec[1]	Unquoted	8,614	11.6	8,865	12.4
Rapyd Financial Network[1]	Unquoted	8,399	11.3	7,721	10.8
Cera EHP S à r l	Unquoted	6,986	9.5	7,316	10.2
Pirum Systems[1]	Unquoted	6,087	8.2	7,166	10.0
EasyPark[1]	Unquoted	4,492	6.1	6,245	8.7
Culligan[1] (formerly Waterlogic)	Unquoted	5,053	6.9	4,909	6.9
CFC Underwriting[1]	Unquoted	4,098	5.5	4,416	6.2
Learning Curve[1]	Unquoted	2,455	3.3	1,918	2.7
Graphcore	Unquoted	1,778	2.4	1,801	2.5
Volution	Quoted	2,012	2.7	1,691	2.3

1 The fair value disclosed for the following investments represents the Company's investment in an intermediary vehicle:
- Mintec (held via Synova Merlin LP)
- Rapyd Financial Network (held via Target Global Fund)
- Pirum Systems (held via Bowmark Investment Partnership LP)
- Culligan (formerly Waterlogic) (held via Epic-1b Fund)
- EasyPark (held via Purple Garden Invest (D) AB)
- CFC Underwriting (held via Vitruvian Investment Partnership LLP)
- Learning Curve (held via Agilitas Boyd 2020 Co-invest Fund)

Investment Portfolio

As at 30 September 2023

Holding	Quoted/unquoted	Country of incorporation (of underlying holding where applicable)	Industry Sector	Fair value £'000	Total investments %
Mintec[1]	Unquoted	United Kingdom	Software	8,865	12.4
Rapyd Financial Network[1]	Unquoted	United Kingdom	IT Services	7,721	10.8
Cera EHP S à r l	Unquoted	United Kingdom	Health Care Technology	7,316	10.2
Pirum Systems[1]	Unquoted	United Kingdom	Software	7,166	10.0
EasyPark[1]	Unquoted	Sweden	Software	6,245	8.7
Culligan[1] (formerly Waterlogic)	Unquoted	United Kingdom	Diversified Consumer Services	4,909	6.9
CFC Underwriting[1]	Unquoted	United Kingdom	Insurance	4,416	6.2
Learning Curve[1]	Unquoted	United Kingdom	Diversified Consumer Services	1,918	2.7
Graphcore	Unquoted	United Kingdom	Semiconductors & Equipment	1,801	2.5
Volution	Quoted	United Kingdom	Building products	1,691	2.3
City Pub	Quoted	United Kingdom	Hotels, Restaurants & Leisure	1,650	2.3
Trainline	Quoted	United Kingdom	Hotels, Restaurants & Leisure	1,580	2.2
Dalata Hotel	Quoted	Ireland	Hotels, Restaurants & Leisure	1,502	2.1
Watches of Switzerland	Quoted	United Kingdom	Specialty Retail	1,400	2.0
Ascential	Quoted	United Kingdom	Media	1,340	1.9
SSP	Quoted	United Kingdom	Hotels, Restaurants & Leisure	1,334	1.9
Bytes Technology	Quoted	United Kingdom	Software	1,067	1.5
Discoverie	Quoted	United Kingdom	Electrical Equipment	1,059	1.5
Sosandar	Quoted	United Kingdom	Textiles, Apparel & Luxury Goods	1,046	1.5
OSB	Quoted	United Kingdom	Financial Services	1,036	1.5
Trustpilot	Quoted	United Kingdom	Interactive Media & Services	962	1.3
Judges Scientific	Quoted	United Kingdom	Machinery	861	1.2
GB	Quoted	United Kingdom	Software	837	1.2
Mobico	Quoted	United Kingdom	Ground Transportation	658	0.9

Holding	Quoted/unquoted	Country of incorporation (of underlying holding where applicable)	Industry Sector	Fair value £'000	Total investments %
MaxCyte	Quoted	United Kingdom	Life Sciences Tools & Services	597	0.8
On the Beach	Quoted	United Kingdom	Hotels, Restaurants & Leisure	589	0.8
Learning Technologies	Quoted	United Kingdom	Software	493	0.7
Luceco	Quoted	United Kingdom	Electrical Equipment	429	0.6
Victorian Plumbing	Quoted	United Kingdom	Specialty Retail	403	0.6
Invinity Energy Systems	Quoted	Jersey	Electrical Equipment	274	0.4
Lendinvest	Quoted	United Kingdom	Financial Services	199	0.3
Velocys	Quoted	United Kingdom	Energy Equipment & Services	42	0.1
Total investments[2]				**71,406**	**100.0**

1 The fair value disclosed for the following investments represents the Company's investment in an intermediary vehicle:
Mintec (held via Synova Merlin LP)
Rapyd Financial Network (held via Target Global Fund)
Pirum Systems (held via Bowmark Investment Partnership LP)
Culligan (held via Epic-1b Fund)
EasyPark (held via Purple Garden Invest (D) AB)
CFC Underwriting (held via Vitruvian Investment Partnership LLP)
Learning Curve (held via Agilitas Boyd 2020 Co-invest Fund)

2 Total investments comprise:	£'000	%
Unquoted	50,357	70.4
Quoted on FTSE 250	11,068	15.5
Quoted on AIM	6,402	9.1
Quoted on FTSE Allshare	2,077	2.9
Listed on a recognised stock exchange overseas	1,502	2.1
Total	**71,406**	**100.0**

Interim Management Statement

Principal risks and uncertainties

The Board has determined that the principal risks and uncertainties for the Company fall into the following categories: strategic risks, market risks and operational risks. These risks are set out on pages 34 to 36 of the Annual Report and Accounts for the period ended 31 March 2023. The Company's principal risks and uncertainties, and their mitigation, have not materially changed during the six months ended 30 September 2023 or since the Annual Report was published on 6 July 2023.

Going concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence until 31 December 2024, which is more than 12 months from the date when these financial statements were signed and the Directors have accordingly adopted the going concern basis in preparing the financial statements.

The Board has considered the Company's principal risks and uncertainties including whether there are any emerging risks. They have additionally considered the liquidity of the Company's portfolio of listed investments, the Company's cash balances and the forecast income and expenditure flows as well as commitments to provide further funding to the Company's private equity investee companies; the Company currently has no borrowings. A substantial proportion of the Company's expenditure varies with the value of the investment portfolio. In the event that there is insufficient cash to meet the Company's liabilities, the listed investments in the portfolio may be realised and the Directors have reviewed the average days to liquidate the listed investments. On this basis, the Board considers it appropriate to adopt the going concern basis of accounting in preparing the Company's accounts.

Related party transactions

There have been no transactions with related parties that have materially affected the financial position or the performance of the Company during the six months ended 30 September 2023.

Directors' responsibility statement

The Directors confirm that, to the best of their knowledge, this set of condensed financial statements has been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, in particular with Financial Reporting Standard 104 "Interim Financial Reporting" and with the Statement of Recommended Practice, "Financial Statements of Investment Companies and Venture Capital Trusts" issued in July 2022 and that this Interim Management Statement includes a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Conduct Authority's Disclosure Guidance and Transparency Rules.

The half-yearly financial report has not been audited or reviewed by the Company's auditor.

Signed on behalf of the Board of Directors.

Neil England
Chairman

1 December 2023

Financial Statements

Financial Statements

Income Statement
for the six months ended 30 September 2023 (unaudited)

	(Unaudited) For the six months ended 30 September 2023 Revenue £'000	Capital £'000	Total £'000	(Unaudited) For the six months ended 30 September 2022 Revenue £'000	Capital £'000	Total £'000	(Audited) For the year ended 31 March 2023 Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments held at fair value through profit or loss	**–**	**(1,735)**	**(1,735)**	–	(2,018)	(2,018)	–	3,198	3,198
(Losses)/gains on foreign exchange	**–**	**–**	**–**	–	(1)	(1)	–	16	16
Income from investments	**202**	**–**	**202**	227	–	227	392	–	392
Other interest receivable and similar income	**115**	**–**	**115**	–	–	–	77	–	77
Gross (loss)/return	**317**	**(1,735)**	**(1,418)**	227	(2,019)	(1,792)	469	3,214	3,683
Investment management fee	**(232)**	**–**	**(232)**	(226)	–	(226)	(458)	–	(458)
Performance fee	**–**	**–**	**–**	–	(500)	(500)	–	(555)	(555)
Administrative expenses	**(314)**	**–**	**(314)**	(324)	–	(324)	(650)	–	(650)
Transaction costs	**–**	**–**	**–**	–	–	–	–	(4)	(4)
Net (loss)/return before finance costs and taxation	**(229)**	**(1,735)**	**(1,964)**	(323)	(2,519)	(2,842)	(639)	2,655	2,016
Finance costs	–	–	–	–	–	–	–	–	–
Net (loss)/return before taxation	**(229)**	**(1,735)**	**(1,964)**	(323)	(2,519)	(2,842)	(639)	2,655	2,016
Taxation (note 3)	**–**	**–**	**–**	–	–	–	–	–	–
Net (loss)/return after taxation	**(229)**	**(1,735)**	**(1,964)**	(323)	(2,519)	(2,842)	(639)	2,655	2,016
(Loss)/return per share (note 4)	**(0.31)p**	**(2.35)p**	**(2.66)p**	(0.43)p	(3.37)p	(3.80)p	(0.86)p	3.57p	2.71p

The "Total" column of this statement is the profit and loss account of the Company. The "Revenue" and "Capital" columns represent supplementary information prepared under guidance issued by The Association of Investment Companies. The Company has no other items of other comprehensive income, and therefore the net return after taxation is also the total comprehensive income for the period.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

Statement of Changes in Equity for the six months ended 30 September 2023 (unaudited)

For the six months ended 30 September 2023 (unaudited)

	Called-up share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2023	**750**	**–**	**71,957**	**8,253**	**(1,649)**	**79,311**
Net loss after taxation	–	**–**	**–**	**(1,735)**	**(229)**	**(1,964)**
At 30 September 2023	**750**	**–**	**71,957**	**6,518**	**(1,878)**	**77,347**

For the six months ended 30 September 2022 (unaudited)

	Called-up share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2022	750	–	72,765	5,598	(1,010)	78,103
Repurchase of ordinary shares into treasury	–	–	(617)	–	–	(617)
Net loss after taxation	–	–	–	(2,519)	(323)	(2,842)
At 30 September 2022	750	–	72,148	3,079	(1,333)	74,644

For the year ended 31 March 2023 (audited)

	Called-up share capital £'000	Share premium £'000	Special reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
At 31 March 2022	750	–	72,765	5,598	(1,010)	78,103
Repurchase of ordinary shares into treasury	–	–	(808)	–	–	(808)
Net return/(loss) after taxation	–	–	–	2,655	(639)	2,016
At 31 March 2023	750	–	71,957	8,253	(1,649)	79,311

Statement of Financial Position at 30 September 2023

	(Unaudited) 30 September 2023 £'000	(Unaudited)[1] 30 September 2022 £'000	(Audited) 31 March 2023 £'000
Fixed assets			
Investments at fair value	**71,406**	71,832	74,128
Current assets			
Debtors	**75**	14	151
Cash and cash equivalents	**8,160**	5,086	7,759
	8,235	5,100	7,910
Current liabilities			
Creditors: amounts falling due within one year	**(624)**	(673)	(1,543)
	(624)	(673)	(1,543)
Net current assets	**7,611**	4,427	6,367
Total assets less current liabilities	**79,017**	76,259	80,495
Creditors: amounts falling due after more than one year			
Performance fee	**(1,670)**	(1,615)	(1,184)
Net assets	**77,347**	74,644	79,311
Capital and reserves			
Called-up share capital (note 5)	**750**	750	750
Capital reserve	**78,475**	75,227	80,210
Revenue reserve	**(1,878)**	(1,333)	(1,649)
Total equity shareholders' funds	**77,347**	74,644	79,311
Net asset value per share (note 6)	**104.66p**	100.62p	107.32p

1 Other creditors and accruals at 30 September 2022 were previously reported as £2,288,000. The balance has been restated to £673,000 because performance fees of £1,615,000 could not have fallen due within one year under any circumstances. Therefore, they have been reclassified as creditors: amounts falling due after more than one year.

Registered in England and Wales as a public company limited by shares

Company registration number: 12892325

Cash Flow Statement for the six months ended 30 September 2023

	(Unaudited) For the six months ended 30 September 2023 £'000	(Unaudited) For the six months ended 30 September 2022 £'000	(Audited) For the year ended 31 March 2023 £'000
Operating activities			
Total (loss)/return before taxation	**(1,964)**	(2,842)	2,016
Less capital (return)/loss before taxation	**1,735**	2,519	(2,655)
Decrease/(increase) in prepayments and accrued income	**93**	80	(45)
(Increase)/decrease in other debtors	**(17)**	21	9
(Decrease)/increase in creditors and performance fee payable	**(433)**	125	572
Performance fee and transaction costs allocated to capital	**–**	(500)	(559)
Net cash outflow from operating activities	**(586)**	(597)	(662)
Investing activities			
Purchases of investments	**(872)**	(16,281)	(19,840)
Sales of investments	**1,859**	7,121	13,601
Net cash inflow/(outflow) from investing activities	**987**	(9,160)	(6,239)
Net cash inflow/(outflow) before financing	**401**	(9,757)	(6,901)
Financing activities			
Repurchase of ordinary shares into treasury	**–**	(609)	(808)
Net cash outflow from financing activities	**–**	(609)	(808)
Net cash inflow/(outflow) in the period	**401**	(10,366)	(7,709)
Cash and cash equivalents at the beginning of the period	**7,759**	15,452	15,452
Net cash inflow/(outflow) in the period	**401**	(10,366)	(7,709)
Exchange movements	**–**	–	16
Cash and cash equivalents at the end of the period	**8,160**	5,086	7,759

Notes to the Financial Statements

1. Financial statements

The information contained within the accounts in this half year report has not been audited or reviewed by the Company's independent auditor.

The figures and financial information for the year ended 31 March 2023 are extracted from the latest published accounts of the Company and do not constitute statutory accounts for that year. Those accounts have been delivered to the Registrar of Companies and included the report of the auditor which was unqualified and did not contain a statement under either section 498(2) or 498(3) of the Companies Act 2006.

2. Accounting policies

Basis of accounting

The accounts have been prepared in accordance with United Kingdom Generally Accepted Accounting Practice, in particular with Financial Reporting Standard 104 "Interim Financial Reporting" and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies and Venture Capital Trusts" issued by the Association of Investment Companies in July 2022.

All of the Company's operations are of a continuing nature.

The accounting policies applied to these accounts are consistent with those applied in the accounts for the year ended 31 March 2023.

3. Taxation

The Company's effective corporation tax rate is nil, as deductible expenses exceed taxable income. The Company intends to continue meeting the conditions required to maintain its status as an Investment Trust Company, and therefore no provision has been made for deferred tax on any capital gains or losses arising on the revaluation or disposal of investments.

4. (Loss)/return per share

	(Unaudited) For the six months ended 30 September 2023 £'000	**(Unaudited) For the six months ended 30 September 2022 £'000**	**(Audited) For the year ended 31 March 2023 £'000**
Revenue loss	**(229)**	(323)	(639)
Capital (loss)/return	**(1,735)**	(2,519)	2,655
Total (loss)/return	**(1,964)**	(2,842)	2,016
Weighted average number of shares in issue during the period	**73,900,000**	74,823,042	74,376,633
Revenue loss per share	**(0.31)p**	(0.43)p	(0.86)p
Capital (loss)/return per share	**(2.35)p**	(3.37)p	3.57p
Total (loss)/return per share	**(2.66)p**	(3.80)p	2.71p

Notes to the Financial Statements

5. Called-up share capital

Changes in called-up share capital during the period were as follows:

	(Unaudited) For the six months ended 30 September 2023 £'000	(Unaudited) For the six months ended 30 September 2022 £'000	(Audited) For the year ended 31 March 2023 £'000
Opening balance of ordinary shares of 1p each	**739**	750	750
Repurchase of shares into treasury	**–**	(8)	(11)
Subtotal, ordinary shares of 1p each, excluding shares held in treasury	**739**	742	739
Shares held in treasury	**11**	8	11
Closing balance, ordinary shares of 1p each, including shares held in treasury	**750**	750	750

Changes in the number of shares in issue during the period were as follows:

	(Unaudited) For the six months ended 30 September 2023 £'000	(Unaudited) For the six months ended 30 September 2022 £'000	(Audited) For the year ended 31 March 2023 £'000
Opening balance of shares in issue	**73,900,000**	75,000,000	75,000,000
Repurchase of shares into treasury	**–**	(818,365)	(1,100,000)
Closing balance of shares in issue, excluding shares held in treasury	**73,900,000**	74,181,635	73,900,000
Closing balance of shares held in treasury	**1,100,000**	818,365	1,100,000
Closing balance of shares in issue, including shares held in treasury	**75,000,000**	75,000,000	75,000,000

6. Net asset value per share

	(Unaudited) 30 September 2023	(Unaudited) 30 September 2022	(Audited) 31 March 2023
Total equity shareholders' funds (£'000)	**77,347**	74,644	79,311
Shares in issue at the period end, excluding shares held in treasury	**73,900,000**	74,181,635	73,900,000
Net asset value per share	**104.66p**	100.62p	107.32p

Notes to the Financial Statements

7. Financial instruments measured at fair value

The Company's financial instruments within the scope of FRS 102 that are held at fair value comprise its investment portfolio and any derivative financial instruments.

FRS 102 requires that financial instruments held at fair value are categorised into a hierarchy consisting of the three levels below. A fair value measurement is categorised in its entirety on the basis of the lowest level input that is significant to the fair value measurement.

Level 1 – valued using unadjusted quoted prices in active markets for identical assets.

Level 2 – valued using observable inputs other than quoted prices included within Level 1.

Level 3 – valued using inputs that are unobservable.

The following tables set out the fair value measurements using the above hierarchy:

	30 September 2023 (unaudited)			
	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Investments in equities – quoted	**21,049**	**–**	**–**	**21,049**
– unquoted	**–**	**–**	**50,357**	**50,357**
Total	**21,049**	**–**	**50,357**	**71,406**

	30 September 2022 (unaudited)			
	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Investments in equities – quoted	26,297	–	–	26,297
– unquoted	–	–	45,535	45,535
Total	26,297	–	45,535	71,832

	31 March 2023 (audited)			
	Level 1 £'000	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Investments in equities – quoted	26,166	–	–	26,166
– unquoted	–	–	47,962	47,962
Total	26,166	–	47,962	74,128

There have been no transfers between Levels 1, 2 or 3 during the period (six months ended 30 September 2022 and year end 31 March 2023: nil).

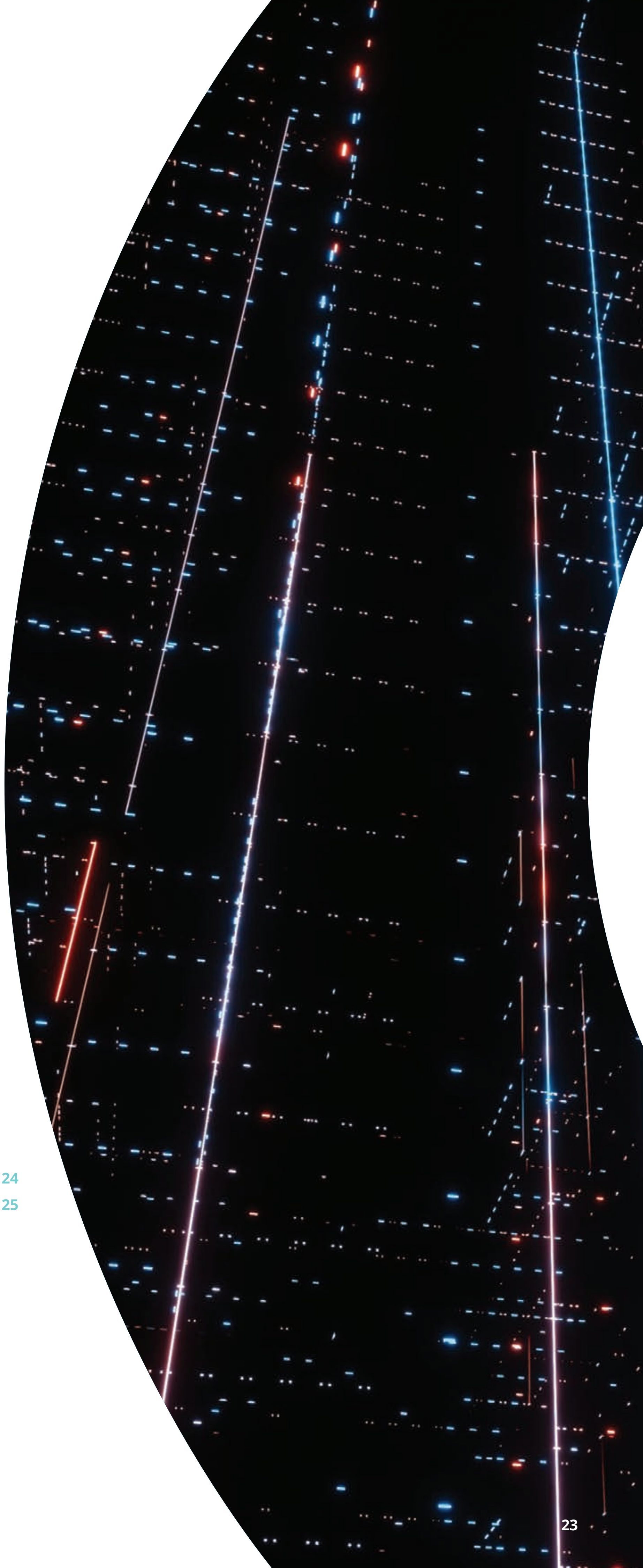
8. Uncalled capital commitments

At 30 September 2023, the Company had uncalled capital commitments amounting to £5,171,000 (30 September 2022: £7,652,000; 31 March 2023: £5,476,000) in respect of follow-on investments, which may be called at any time by investee companies, subject to their achievement of certain milestones and objectives.

9. Events after the interim period that have not been reflected in the financial statements for the interim period

The Directors have evaluated the period since the interim date and have not noted any events which have not been reflected in the financial statements.

Other Information



Investor Warning

Warning to shareholders

Companies are aware that their shareholders have received unsolicited telephone calls or correspondence concerning investment matters. These are typically from overseas-based 'brokers' who target UK shareholders, offering to sell them what often turn out to be worthless or high risk shares or investments.

These operations are commonly known as 'boiler rooms'. These 'brokers' can be very persistent and extremely persuasive.

Shareholders are advised to be wary of any unsolicited advice, offers to buy shares at a discount or offers of free company reports. If you receive any unsolicited investment advice:

- Make sure you get the correct name of the person and organisation
- Check that they are properly authorised by the FCA before getting involved by visiting register.fca.org.uk
- Report the matter to the FCA by calling 0800 111 6768 or visiting fca.org.uk/consumers/report-scam-unauthorised- firm
- Do not deal with any firm that you are unsure about

If you deal with an unauthorised firm, you will not be eligible to receive payment under the Financial Services Compensation Scheme. The FCA provides a list of unauthorised firms of which it is aware, which can be accessed at fca.org.uk/consumers/unauthorised-firms- individuals#list.

More detailed information on this or similar activity can be found on the FCA website at fca.org.uk/consumers/protect- yourself-scams.

Dividends

Paying dividends into a bank or building society account helps reduce the risk of fraud and will provide you with quicker access to your funds than payment by cheque. Applications for an electronic mandate can be made by contacting the Registrar. If your dividend is paid directly into your bank or building society account, you will receive an annual consolidated dividend confirmation, which will be sent to you in September each year at the time the interim dividend is paid. Dividend confirmations are available electronically at investorcentre.co.uk to those Shareholders who have their payments mandated to their bank or building society accounts and who have expressed a preference for electronic communications

Information about the Company

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Neil England (Chairman)
Diana Dyer Bartlett
Tim Jenkinson

Advisers

Alternative Investment Fund Manager (the "Manager")

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London EC2Y 5AU

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8050 Zurich
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Company Secretary

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London EC2Y 5AU
Telephone: 020 7658 3136

Registered Office

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London EC2Y 5AU

Depositary and Custodian

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Corporate Broker

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Aspect House
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West Sussex BN99 6DA
Shareholder helpline: 0800 032 0641*
Website: www.shareview.co.uk

*Calls to this number are free of charge from UK landlines.

Communications with shareholders are mailed to the address held on the register. Any notifications and enquiries relating to shareholdings, including a change of address or other amendment should be directed to Equiniti Limited at the above address and telephone number above.

Shareholder enquiries

General enquiries about the Company should be addressed to the Company Secretary at the Company's Registered Office.

Dealing Codes

ISIN:	GB00BN7JZR28
SEDOL:	BN7JZR2
Ticker:	SBO

Global Intermediary Identification Number (GIIN)

QML9TQ.99999.SL.826

Legal Entity Identifier (LEI)

5493003UY8LIHFW6HM02

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