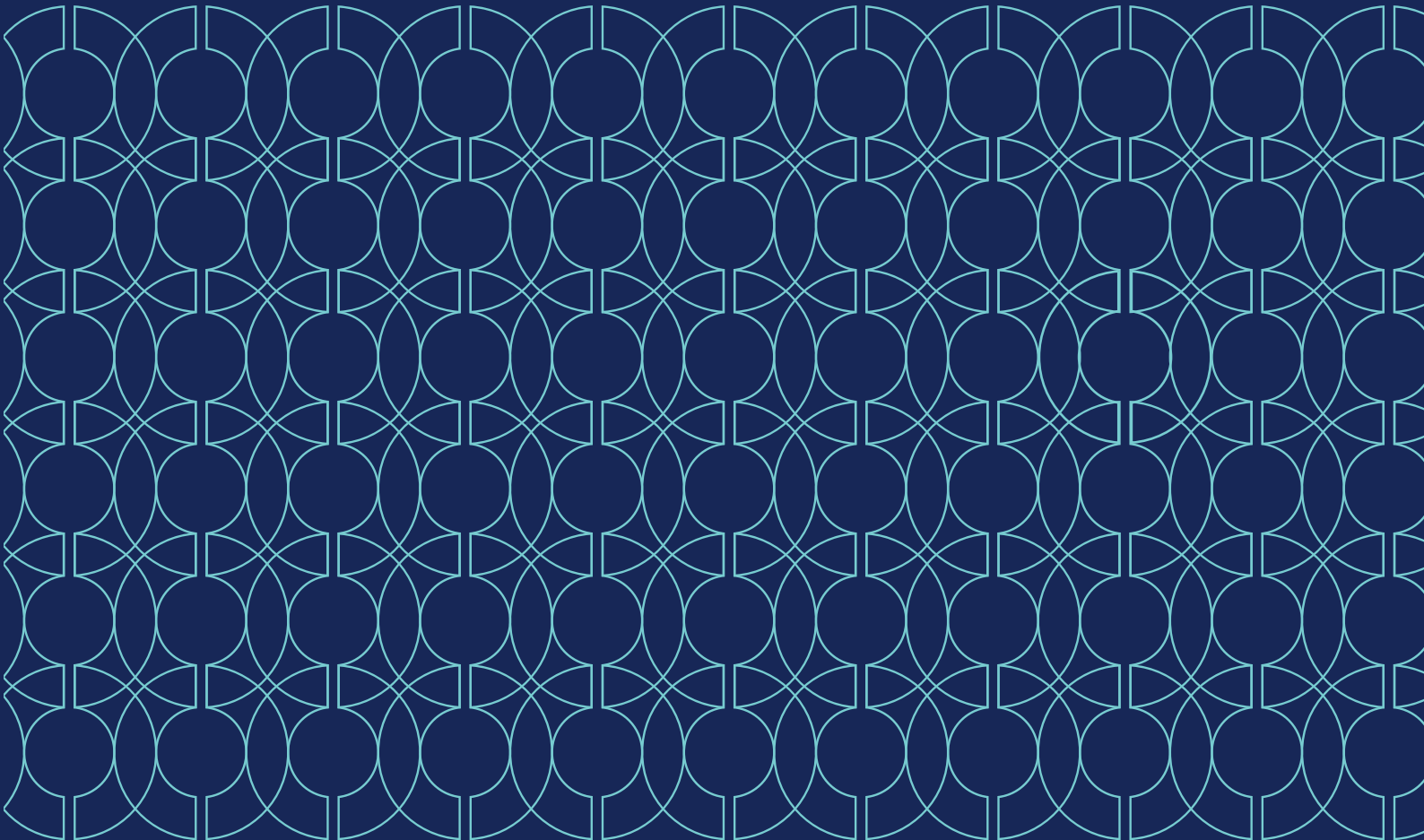


Schroders

Schroder Global Cities Real Estate
Annual Report and Accounts
20 September 2021



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¹ Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

The Schroder Global Cities Real Estate (the 'Fund') aims to provide income and capital growth in excess of inflation (as measured by the UK Consumer Price Index) plus 3% per annum (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of real estate companies worldwide. This cannot be guaranteed and your capital is at risk.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of real estate companies worldwide which generate the majority of their earnings from real estate investment related activities. The Fund may invest in real estate investment trusts.

The Fund seeks exposure to companies that invest in cities that the Investment Manager believes will exhibit continued economic growth, supported by factors such as strong infrastructure and supportive planning regimes.

The Fund may also invest in collective investment schemes (including Schroder funds) that invest in equity and equity related securities of real estate companies, warrants and money market instruments, and may hold cash.

The Fund may use derivatives with the aim of reducing risk and to manage the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus).

The Fund does not currently use derivatives to achieve investment gains. If the Manager decides to use derivatives this way, this may result in a more volatile Unit price and so result in a higher degree of market risk, therefore the Manager will give registered Unitholders appropriate notice if it decides to do so.

Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the UK Consumer Price Index plus 3% per annum, and compared against the FTSE EPRA NAREIT Developed (Gross Total Return) index and the Investment Association Property Investment Sector average return. The target benchmark has been selected because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective. The comparator 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.

Significant events

With effect from 1 December 2020, the Manager wishes to pass on some of the benefits of potential savings generated by significant growth in assets under management, by discounting the Annual Management Charge payable by investors in retail classes in the Fund. The applicable discount is determined by the size of the Fund and is capped at 0.05%. For more information on the discount please refer to the Prospectus.

Effective from 1 March 2021 a transparent "all in one" fund management fee was introduced. This is a single percentage based fee to cover certain elements of the separate charges and fees, which were previously charged and are now replaced with a single charge named "Schroders Annual Charge". Previously all expenses were directly charged to each Fund as incurred. This structure consisted of the Annual Management Charge, plus other fees and expenses, including the Trustee fee, Custody fee, Transfer Agent fee, Audit fee and certain costs and administrative expenses paid by the Manager in relation to the management and operation of the funds, as disclosed in the Prospectus.

Review of Investment Activities

From 18 September 2020 to 20 September 2021, the price of A Accumulation units on a dealing price basis rose 17.24%. From 30 September 2020 to 30 September 2021 (the closest dates to the reporting period for which the Fund's return target of inflation as measured by the Consumer Price Index (CPI) +3% is available), the price of A Accumulation units on a dealing price basis rose 20.41%. In the same period, the CPI +3% increased 6.43%¹.

The Fund portfolio is focussed on companies that can grow their income streams due to the structural demand for their assets, in the fastest growing cities.

From September 2020 to September 2021 the fund has delivered strong returns on an absolute basis. Market sentiment at the end of 2020 and early 2021 was characterised by the rollout of various Covid-19 vaccination programmes. These rollouts caused companies in sectors that had been affected by lockdowns to rally. In the real asset sector, this positively impacted areas such as hotels, malls and cinema owners, as the market anticipated a return to normality from distressed levels. As the year went on, a 'Goldilocks' environment of low interest rates and strong demand meant Global Markets have performed well this year. The fund was a beneficiary of this as real assets are seen as a hedge against inflation.

Over the period the team has seen a large amount of corporate activity in the portfolio. Most recently, Columbia Property Trust received an offer from PIMCO for 2,2bn USD - this is the fourth investee company that has been taken over this year. Our comment on corporate activity would be that: 1. Money remains plentiful and cheap; 2. New supply is cramped due to rising input costs; 3. Stringent building policy in booming sectors further prevents new supply (the CEO of ProLogis, the logistics owner, commented that people don't want to live next to warehouses but do want next day delivery).

Overall fund performance over the 12 month period is strong and we are confident in its ability to outperform even if rates creep higher. The team remain wedded to the Global Cities strategy and continue to invest in the most sustainable companies with assets in the most sustainable locations. The team favour sectors which benefit from trends disrupting real estate markets, in particular, those that support the rise of the digital economy. The team believe these trends will continue to grow and will drive positive portfolio performance over its investment horizon of 3-5 years.

Co-Fund Manager:

Tom Walker



Tom joined Schroders in July 2014 and has over 22 years of real estate experience

Tom had previously spent nine years at AMP Capital where he was Deputy Head of Global Listed Real Estate. He began his career in real estate at Jones Lang LaSalle

Tom holds a BA Hons in Politics from the University of Newcastle Upon Tyne and a Graduate Diploma in Real Estate from London South Bank University

Tom is also a Member of the Royal Institution of Chartered Surveyors (MRICS)

Co-Fund Manager:

Hugo Machin



Hugo joined Schroders in July 2014 and has over 22 years of real estate experience

Hugo had previously spent eight years at AMP Capital where he was Head of European Listed Real Estate. Prior to his time at AMP Capital, Hugo had held positions with both ING and the Welcome Trust where he gained experience in both indirect and direct property investment

Hugo holds a BA Hons in English Literature from Durham University, MSc in Real Estate Finance and Investment from Reading University and a Diploma in Cross Border Valuation from Oxford Said Business School

He is also a member of the EPRA Report and Accounts Committee

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.

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 gains on the property of the Fund for the year. In preparing the accounts the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association (now the Investment Association) in May 2014;
- follow generally accepted accounting principles and applicable accounting standards;
- prepare the accounts on the basis that the Fund will continue in operation unless it is inappropriate to do so;
- keep proper accounting records which enable it to demonstrate that the accounts as prepared comply with the above requirements;
- make judgements and estimates that are prudent and reasonable.

The Manager is responsible for the management of the Fund in accordance with its Trust Deed, the Prospectus and the Collective Investment Schemes sourcebook, and for taking reasonable steps for the prevention and detection of fraud, error and non-compliance with law or regulations.

The Manager's report and accounts for the year ended 20 September 2021 were signed on 19 January 2022 on behalf of the Manager by:

S. Reedy
Directors

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 Global Cities Real Estate ('the Fund') for the year ended 20 September 2021.

The Trustee of the Schroder Global Cities Real Estate 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

15 October 2021

Independent auditors' report to the Unitholders of Schroder Global Cities Real Estate

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Schroder Global Cities Real Estate Fund (the "Fund"):

- give a true and fair view of the financial position of the Fund as at 20 September 2021 and of the net revenue and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Balance Sheet as at 20 September 2021; the Statement of Total Return and the Statement of Change in Net Assets Attributable to Unitholders for the year then ended; the Distribution Table; and the Notes to the Accounts, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Fund's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Manager's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Fund's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Manager with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Manager is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on our work undertaken in the course of the audit, the Collective Investment Schemes sourcebook requires us also to report certain opinions as described below.

Manager's Report

In our opinion, the information given in the Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Responsibilities for the financial statements and the audit

Responsibilities of the Manager for the financial statements

As explained more fully in the Statement of the Manager's Responsibilities, the Manager is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Manager is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager is responsible for assessing the Fund's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager either intends to wind up or terminate the Fund, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Independent auditors' report to the Unitholders of Schroder Global Cities Real Estate (continued)

Based on our understanding of the Fund and its industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of the Collective Investment Schemes sourcebook, and we considered the extent to which non-compliance might have a material effect on the financial statements, in particular those parts of the sourcebook which may directly impact on the determination of amounts and disclosures in the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or to increase the net asset value of the Fund. Audit procedures performed included:

- Discussions with the Manager, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes, including those of the Manager's board of directors;
- Identifying and testing journal entries, specifically any journals posted as part of the financial year end close process; and
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Fund's unitholders as a body in accordance with paragraph 4.5.12 of the Collective Investment Schemes sourcebook and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

In our opinion, we have obtained all the information and explanations we consider necessary for the purposes of the audit.

Collective Investment Schemes sourcebook exception reporting

Under the Collective Investment Schemes sourcebook we are also required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Edinburgh
19 January 2022

Comparative Table

Financial year to 20 September	A Accumulation units			A Income units		
	2021 pence per unit	2020 pence per unit	2019 pence per unit	2021 pence per unit	2020 pence per unit	2019 pence per unit
Change in net asset value						
Opening net asset value	126.39	138.95	115.32	116.10	128.22	106.81
Return before operating charges*	25.47	(10.39)	25.68	23.38	(9.59)	23.77
Operating charges	(2.25)	(2.17)	(2.05)	(2.06)	(2.00)	(1.88)
Return after operating charges*	23.22	(12.56)	23.63	21.32	(11.59)	21.89
Distributions**	(0.48)	(0.57)	(0.52)	(0.43)	(0.53)	(0.48)
Retained distributions**	0.48	0.57	0.52	-	-	-
Closing net asset value	149.61	126.39	138.95	136.99	116.10	128.22
*after direct transaction costs of	(0.07)	(0.08)	(0.04)	(0.06)	(0.07)	(0.03)
Performance						
Return after charges (%)	18.37	(9.04)	20.49	18.36	(9.04)	20.49
Other information						
Closing net asset value (£000's)	186,246	173,077	209,989	1,885	2,125	2,896
Closing number of units	124,484,760	136,939,592	151,130,713	1,375,883	1,830,431	2,258,433
Operating charges (%)	1.65	1.67	1.67	1.65	1.67	1.67
Direct transaction costs (%)***	0.05	0.06	0.03	0.05	0.06	0.03
Prices						
Highest dealing price	156.60p	148.94p	141.00p	143.80p	137.44p	130.60p
Lowest dealing price	120.90p	100.51p	107.50p	111.10p	92.75p	99.57p

Comparative Table (continued)

Financial year to 20 September	GBP Hedged L Accumulation units ¹			GBP Hedged L Income units ²	
	2021 pence per unit	2020 pence per unit	2019 pence per unit	2021 pence per unit	2020 pence per unit
Change in net asset value					
Opening net asset value	48.37	53.07	50.00	42.50	50.00
Return before operating charges*	12.85	(4.27)	3.22	11.25	(6.88)
Operating charges	(0.48)	(0.43)	(0.15)	(0.46)	(0.23)
Return after operating charges*	12.37	(4.70)	3.07	10.79	(7.11)
Distributions**	(0.58)	(0.60)	(0.20)	(0.51)	(0.39)
Retained distributions**	0.58	0.60	0.20	-	-
Closing net asset value	60.74	48.37	53.07	52.78	42.50
*after direct transaction costs of	(0.03)	(0.03)	(0.02)	(0.03)	(0.03)
Performance					
Return after charges (%)	25.57	(8.86)	6.14	25.39	(14.22)
Other information					
Closing net asset value (£000's)	30,381	6,654	10	37,988	9
Closing number of units	50,018,217	13,755,386	20,000	71,976,378	20,000
Operating charges (%)	0.86	0.88	0.84	0.85	0.84
Direct transaction costs (%)***	0.05	0.06	0.03	0.05	0.06
Prices					
Highest dealing price	64.00p	59.09p	52.97p	56.14p	52.38p
Lowest dealing price	46.24p	35.63p	49.04p	40.57p	31.60p

Comparative Table (continued)

Financial year to 20 September	GBP Hedged Z Income units			L Accumulation units		
	2021 pence per unit	2020 pence per unit	2019 pence per unit	2021 pence per unit	2020 pence per unit	2019 pence per unit
Change in net asset value						
Opening net asset value	55.25	61.32	54.15	88.27	96.28	79.25
Return before operating charges*	14.55	(4.88)	8.35	17.77	(7.25)	17.75
Operating charges	(0.57)	(0.55)	(0.57)	(0.80)	(0.76)	(0.72)
Return after operating charges*	13.98	(5.43)	7.78	16.97	(8.01)	17.03
Distributions**	(0.63)	(0.64)	(0.61)	(1.04)	(1.11)	(1.06)
Retained distributions**	-	-	-	1.04	1.11	1.06
Closing net asset value	68.60	55.25	61.32	105.24	88.27	96.28
*after direct transaction costs of	(0.03)	(0.03)	(0.02)	(0.05)	(0.05)	(0.03)
Performance						
Return after charges (%)	25.30	(8.86)	14.37	19.23	(8.32)	21.49
Other information						
Closing net asset value (£000's)	46,977	55,705	50,306	315,357	155,335	130,799
Closing number of units	68,478,914	100,820,958	82,043,503	299,644,021	175,975,934	135,853,657
Operating charges (%)	0.93	0.95	1.01	0.82	0.85	0.84
Direct transaction costs (%)***	0.05	0.06	0.03	0.05	0.06	0.03
Prices						
Highest dealing price	72.94p	68.22p	61.81p	110.10p	103.49p	97.70p
Lowest dealing price	52.89p	41.16p	48.48p	84.39p	69.88p	73.92p

Comparative Table (continued)

Financial year to 20 September	L Income units			Z Accumulation units		
	2021 pence per unit	2020 pence per unit	2019 pence per unit	2021 pence per unit	2020 pence per unit	2019 pence per unit
Change in net asset value						
Opening net asset value	81.14	89.62	74.58	93.01	101.49	83.61
Return before operating charges*	16.32	(6.73)	16.72	18.74	(7.61)	18.70
Operating charges	(0.73)	(0.71)	(0.68)	(0.92)	(0.87)	(0.82)
Return after operating charges*	15.59	(7.44)	16.04	17.82	(8.48)	17.88
Distributions**	(0.95)	(1.04)	(1.00)	(1.03)	(1.13)	(1.05)
Retained distributions**	-	-	-	1.03	1.13	1.05
Closing net asset value	95.78	81.14	89.62	110.83	93.01	101.49
*after direct transaction costs of	(0.04)	(0.05)	(0.02)	(0.05)	(0.06)	(0.03)
Performance						
Return after charges (%)	19.21	(8.30)	21.51	19.16	(8.36)	21.39
Other information						
Closing net asset value (£000's)	384,095	242,127	199,682	329,991	196,708	198,547
Closing number of units	401,012,783	298,412,268	222,803,861	297,753,737	211,490,601	195,626,853
Operating charges (%)	0.82	0.85	0.84	0.90	0.92	0.92
Direct transaction costs (%)***	0.05	0.06	0.03	0.05	0.06	0.03
Prices						
Highest dealing price	101.20p	96.34p	91.95p	116.00p	109.07p	103.00p
Lowest dealing price	77.68p	65.05p	69.57p	88.90p	73.64p	77.98p

Comparative Table (continued)

Financial year to 20 September	Z Income units		
	2021 pence per unit	2020 pence per unit	2019 pence per unit
Change in net asset value			
Opening net asset value	78.82	87.06	72.45
Return before operating charges*	15.85	(6.53)	16.23
Operating charges	(0.77)	(0.75)	(0.71)
Return after operating charges*	15.08	(7.28)	15.52
Distributions**	(0.87)	(0.96)	(0.91)
Closing net asset value	93.03	78.82	87.06
*after direct transaction costs of	(0.04)	(0.05)	(0.02)
Performance			
Return after charges (%)	19.13	(8.36)	21.42
Other information			
Closing net asset value (£000's)	213,759	151,855	124,605
Closing number of units	229,761,892	192,671,708	143,133,397
Operating charges (%)	0.90	0.92	0.92
Direct transaction costs (%)***	0.05	0.06	0.03
Prices			
Highest dealing price	98.28p	93.56p	89.26p
Lowest dealing price	75.45p	63.16p	67.58p

** 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.

1 GBP Hedged L Accumulation units launched on 17 May 2019.

2 GBP Hedged L Income units launched on 31 January 2020.

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 20.9.21	Market Value £000's	% of net assets
Equities 98.22% (100.17%)			
Australia 3.27% (3.56%)			
Goodman Group REIT	668,429	7,867	0.51
Ingenia Communities Group REIT	2,158,270	7,627	0.49
Mirvac Group REIT	9,479,252	15,467	1.00
NEXTDC	2,097,386	14,957	0.97
Superloop	8,978,574	4,690	0.30
		50,608	3.27
Belgium 1.73% (1.74%)			
VGP	155,913	26,813	1.73
		26,813	1.73
Canada 2.59% (2.94%)			
Allied Properties Real Estate Investment Trust	514,969	11,810	0.76
Canadian Pacific Railway	460,874	21,901	1.42
IBI Group	1,011,182	6,406	0.41
		40,117	2.59
Cayman Islands 2.45% (4.55%)			
21Vianet Group ADR	1,258,745	16,234	1.05
ESR Cayman	3,624,000	7,979	0.52
GDS Holdings ADR	293,067	12,051	0.78
Times Neighborhood Holdings	4,820,000	1,629	0.10
		37,893	2.45
China 1.09% (2.03%)			
A-Living Smart City Services H	7,008,750	16,797	1.09
		16,797	1.09
France 0.00% (0.94%)			
Germany 5.42% (4.77%)			
alstria office REIT	1,904,487	26,528	1.71
Instone Real Estate Group	992,124	21,274	1.38
Vonovia	802,646	35,992	2.33
		83,794	5.42
Hong Kong 2.83% (3.14%)			
Hang Lung Properties	11,087,000	17,607	1.14
Hysan Development	2,617,000	6,020	0.39
Sun Hung Kai Properties	2,275,929	20,181	1.30
		43,808	2.83
India 0.53% (0.00%)			
Brookfield India Real Estate Trust REIT	3,215,000	8,136	0.53
		8,136	0.53
Japan 10.03% (11.74%)			
CRE Logistics REIT	8,364	11,982	0.77
GLP J-Reit REIT	14,839	19,353	1.25
Hulic	539,200	4,761	0.31
Hulic Reit	7,203	8,477	0.55

	Holding at 20.9.21	Market Value £000's	% of net assets
Japan Hotel REIT Investment	27,007	11,324	0.73
Kenedix Office Investment REIT	2,310	11,744	0.76
LaSalle Logiport REIT	9,718	12,955	0.84
Mitsubishi Estate	2,419,019	27,721	1.79
Mitsui Fudosan	1,932,650	31,205	2.02
Nippon Prologis REIT	5,831	15,540	1.01
		155,062	10.03
Luxembourg 2.47% (2.11%)			
Grand City Properties	794,340	15,057	0.97
Shurgard Self Storage	574,025	23,206	1.50
		38,263	2.47
Norway 0.00% (1.46%)			
Spain 1.38% (1.54%)			
Cellnex Telecom	430,052	21,364	1.38
		21,364	1.38
Sweden 1.51% (1.57%)			
Fabege	1,998,479	23,408	1.51
		23,408	1.51
Turks and Caicos Islands 0.00% (0.00%)			
United Kingdom 5.56% (4.74%)			
Big Yellow Group REIT	1,631,406	23,166	1.50
Segro REIT	2,578,188	32,214	2.09
Shaftesbury REIT	1,252,024	7,462	0.48
UNITE Group REIT	2,026,021	23,087	1.49
		85,929	5.56
United States of America 57.36% (53.34%)			
Alexandria Real Estate Equities REIT	311,268	44,436	2.87
Camden Property Trust REIT	538,182	58,373	3.77
CoreSite Realty REIT	139,058	15,069	0.97
Cousins Properties REIT	1,373,643	36,828	2.38
CubeSmart REIT	1,117,515	42,395	2.74
DiamondRock Hospitality REIT	2,133,712	13,595	0.88
Drive Shack	3,545,306	6,873	0.45
Equinix REIT	110,914	68,799	4.45
Equity LifeStyle Properties REIT	214,996	12,890	0.83
Extra Space Storage REIT	247,678	32,618	2.11
Federal Realty Investment Trust REIT	130,854	11,212	0.73
Healthcare Realty Trust REIT	1,403,015	31,109	2.01
Healthcare Trust of America REIT A	754,250	16,884	1.09
Healthpeak Properties REIT	1,629,962	41,220	2.67
Invitation Homes REIT	1,448,204	41,974	2.71

Portfolio Statement (continued)

	Holding at 20.9.21	Market Value £000's	% of net assets		Holding at 20.9.21	Market Value £000's	% of net assets
Kimco Realty REIT	2,023,393	31,409	2.03	Buy HKD 7,340,974			
Outfront Media REIT	1,079,414	18,146	1.17	Sell GBP 684,074 29/09/2021	4	0.00	
Prologis REIT	890,743	83,848	5.42	Buy JPY 103,599,501			
PulteGroup	294,387	10,122	0.66	Sell GBP 685,399 29/09/2021	5	0.00	
Regency Centers REIT	618,093	30,344	1.96	Buy USD 3,972,042			
Rexford Industrial Realty REIT	806,146	35,094	2.27	Sell GBP 2,868,592 29/09/2021	32	0.00	
Sun Communities REIT	266,370	37,878	2.45	Buy USD 4,939			
Sunstone Hotel Investors REIT	1,390,924	11,813	0.76	Sell GBP 3,608 29/09/2021	0	0.00	
Switch A	1,037,908	19,543	1.26	Sell AUD 498,639			
Terreno Realty REIT	466,083	22,094	1.43	Buy GBP 265,491 29/09/2021	2	0.00	
UDR REIT	1,496,476	58,053	3.75	Sell AUD 7,300,104			
Washington Real Estate Investment Trust	1,177,818	21,420	1.39	Buy GBP 3,834,925 29/09/2021	(24)	0.00	
Welltower REIT	530,847	33,175	2.15	Sell CAD 5,988,893			
		887,214	57.36	Buy GBP 3,442,940 29/09/2021	33	0.00	
Equities total		1,519,206	98.22	Sell EUR 15,817,811			
Forward Foreign Currency Contracts 0.02% ((0.11)%)				Buy GBP 13,593,414 29/09/2021	63	0.01	
Buy AUD 529				Sell EUR 2,609,400			
Sell GBP 278 29/09/2021		0	0.00	Buy GBP 2,227,568 29/09/2021	(4)	0.00	
Buy AUD 366,816				Sell HKD 60,760,147			
Sell GBP 195,587 29/09/2021		(2)	0.00	Buy GBP 5,712,922 29/09/2021	15	0.00	
Buy CAD 8				Sell HKD 5,938,316			
Sell GBP 4 29/09/2021		0	0.00	Buy GBP 551,725 29/09/2021	(5)	0.00	
Buy CAD 505,754				Sell JPY 93			
Sell GBP 290,135 29/09/2021		(2)	0.00	Buy GBP 1 29/09/2021	0	0.00	
Buy EUR 2,379,909				Sell JPY 1,869,130,813			
Sell GBP 2,032,206 29/09/2021		4	0.00	Buy GBP 12,449,596 29/09/2021	(14)	0.00	
Buy EUR 907,289				Sell USD 93,020,053			
Sell GBP 778,391 29/09/2021		(2)	0.00	Buy GBP 68,135,530 29/09/2021	211	0.01	
				Sell USD 6,216,014			
				Buy GBP 4,506,315 29/09/2021	(33)	0.00	
				Forward Foreign Currency Contracts total	283	0.02	
				Portfolio of investments	1,519,489	98.24	
				Net other assets	27,190	1.76	
				Net assets attributable to unitholders	1,546,679	100.00	

The comparative percentage figures in brackets are as at 20 September 2020.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

Statement of Total Return

For the year ended 20 September 2021

	Notes	2021		2020	
		£000's	£000's	£000's	£000's
Income					
Net capital gains/(losses)	2		218,187		(92,403)
Revenue	3	26,704		21,978	
Expenses	4	(12,141)		(9,666)	
Net revenue before taxation		14,563		12,312	
Taxation	5	(2,385)		(2,215)	
Net revenue after taxation			12,178		10,097
Total return before distributions			230,365		(82,306)
Distributions	6		(11,642)		(9,866)
Change in net assets attributable to unitholders from investment activities			218,723		(92,172)

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 20 September 2021

	2021		2020	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		983,595		916,834
Amounts receivable on issue of units	460,490		313,353	
Amounts payable on cancellation of units	(123,294)		(159,709)	
		337,196		153,644
Dilution adjustment		105		89
Change in net assets attributable to unitholders from investment activities		218,723		(92,172)
Retained distribution on Accumulation units		7,060		5,199
Unclaimed distributions		-		1
Closing net assets attributable to unitholders		1,546,679		983,595

Balance Sheet

As at 20 September 2021

	Notes	2021		2020	
		£000's	£000's	£000's	£000's
Assets					
Investments			1,519,575		985,326
Current assets					
Debtors	8		7,038		10,404
Cash and bank balances			28,656		7,489
Total assets			1,555,269		1,003,219
Liabilities					
Investment liabilities			(86)		(1,139)
Provisions for liabilities	9		(148)		(128)
Creditors					
Distributions payable			(6,632)		(5,618)
Other creditors	10		(1,724)		(12,739)
Total liabilities			(8,590)		(19,624)
Net assets attributable to unitholders			1,546,679		983,595

Notes to the Accounts

For the year ended 20 September 2021

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)).

Revenue

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

Dividends from US Real Estate Investment Trusts are initially accounted for at an estimated 70% revenue and 30% capital split when the security goes ex-dividend. Following the end of the calendar year, US Real Estate Investment Trusts publish the split between revenue and capital of the dividends they have previously declared. When this information is received the initial estimated allocation is adjusted to reflect the published split between revenue and capital.

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 except for professional fee are accounted for on an accruals basis.

Taxation

Corporation tax is provided for on the revenue liable to corporation tax less deductible expenses. The tax effect of different items of revenue or expenses is allocated between revenue and capital using the marginal basis.

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 forms part of the distribution.

Distributions which have remained unclaimed by unitholders for more than six years are credited to the capital property of the Fund.

Dilution adjustment

In certain circumstances the Manager may apply a dilution adjustment on subscriptions and redemptions of units. If applied, the dilution adjustment is paid to the Fund. See Prospectus for further details.

Valuation

With the exception of forward foreign currency contracts which have been valued at the Fund's valuation point (12:00) on the last working day of the accounting period, all other investments held by the Fund have been valued at market value at 18:00 on the last working day of the accounting period. Market value is defined by the Statement of Recommended Practice as fair value which generally is the bid value of each security and the offer value for short positions.

Foreign currencies

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

Sterling hedged unit classes

Hedged unit classes allow the Manager to use currency hedging transactions to seek to minimise the effect of exchange rate fluctuations between the base currency and the portfolio currencies of the Fund. Currency hedging transactions include entering into over the counter currency forward contracts and foreign exchange agreements.

Where undertaken, the effect of hedging will be reflected in the net asset value and therefore, in the performance of the relevant hedged unit class. Any benefits or losses of the hedging transactions will accrue to unitholders in that hedged unit class only.

The Manager will aim to hedge the capital currency exposure of the net asset value attributable to a hedged unit class, however, the hedge may not always be at 100%. This is to avoid the transaction costs of making small and frequent adjusting transactions. The Manager will review the relevant hedging positions daily and, if appropriate, adjust the hedge to reflect any change in currency exposure and the flow of unitholder issue and cancellation of units.

Notes to the Accounts

For the year ended 20 September 2021 (continued)

2 Net capital gains/(losses)

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

	2021	2020
	£000's	£000's
Non-derivative securities	214,856	(93,125)
Forward foreign currency contracts	3,400	(3)
Foreign currency (losses)/gains	(76)	832
Transaction costs	7	(107)
Net capital gains/(losses)	218,187	(92,403)

3 Revenue

	2021	2020
	£000's	£000's
UK dividends	142	66
Overseas dividends	9,673	5,059
Real estate income distributions	16,301	16,596
Scrip dividends	550	233
Bank interest	38	24
Total revenue	26,704	21,978

4 Expenses

	2021	2020
	£000's	£000's
Payable to the Manager, associates of the Manager and agents of either of them:		
Annual management charge ¹	3,698	8,133
Administration charge	695	1,397
Schroders Annual Charge ^{1,2}	7,681	-
	12,074	9,530
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Trustee's fees	37	80
Safe custody fees	16	28
	53	108
Other expenses:		
Audit fee ²	5	11
Professional fee ³	8	1
Interest payable	1	2
Hedging programme costs	-	14
	14	28
Total expenses	12,141	9,666

1 Fees such as the Annual Management Charge, Administration fee, Trustee fee and Audit fee were paid separately to 28 February 2021. From 1 March 2021 these fees were replaced with the Schroders Annual Charge.

2 Audit fees including VAT for the financial year ending 2021 were £10,741 (2020 - £11,612).

3 Professional fee for the prior year was £967 which was paid to PricewaterhouseCoopers LLP in relation to tax reclaims.

Notes to the Accounts

For the year ended 20 September 2021 (continued)

5 Taxation

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

(a) Analysis of the tax charge for the year

	2021	2020
	£000's	£000's
Overseas withholding tax	2,365	2,189
Total current tax (Note 5(b))	2,365	2,189
Deferred tax (Note 5(c))		
Origination and reversal of timing differences	20	26
Total taxation	2,385	2,215

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

The tax assessed for the year is different from that calculated when the standard rate of corporation tax for authorised unit trusts of 20% (2020 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2021	2020
	£000's	£000's
Net revenue before taxation	14,563	12,312
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	2,913	2,462
Effects of:		
Revenue not subject to corporation tax	(1,697)	(1,053)
Irrecoverable overseas withholding tax	1,264	2,189
Double tax relief	-	(1,363)
Movement in revenue taxable in different periods	(115)	(46)
Current tax charge for the year (Note 5(a))	2,365	2,189

(c) Provision for deferred tax

	2021	2020
	£000's	£000's
Provision at the start of the period	128	102
Movement in deferred tax for the year (Note 5(a))	20	26
Provision at the end of the year	148	128

6 Distributions

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

	2021	2020
	£000's	£000's
Final Dividend distribution	13,692	10,817
Add: Revenue deducted on cancellation of units	655	763
Deduct: Revenue received on issue of units	(2,705)	(1,714)
Distributions	11,642	9,866
Net revenue after taxation	12,178	10,097
Scrip dividends not distributed	(551)	(233)
Expenses taken to capital	-	1
Movement in undistributed revenue	-	(1)
Equalisation on conversions	15	2
Distributions	11,642	9,866

Details of the distributions per unit are set out in the Distribution Table on page 28.

Notes to the Accounts

For the year ended 20 September 2021 (continued)

7 Fair value hierarchy

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

Basis of valuation	2021		2020	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	1,519,206	-	985,277	-
Level 2: Observable market data	369	(86)	49	(1,139)
Level 3: Unobservable data	-	-	-	-
Total	1,519,575	(86)	985,326	(1,139)

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

	2021 £000's	2020 £000's
Amounts receivable for issue of units	4,215	533
Sales awaiting settlement	202	8,087
Accrued revenue	2,343	1,559
Overseas withholding tax recoverable	278	154
Income tax recoverable	-	71
Total debtors	7,038	10,404

9 Provisions for liabilities

	2021 £000's	2020 £000's
Deferred taxation	148	128
Total provisions for liabilities	148	128

10 Other creditors

	2021 £000's	2020 £000's
Amounts payable for cancellation of units	888	2,804
Purchases awaiting settlement	-	8,408
Accrued expenses	836	1,526
Interest payable	-	1
Total other creditors	1,724	12,739

Notes to the Accounts

For the year ended 20 September 2021 (continued)

11 Contingent assets

As a result of a 2012 European Court of Justice ruling that French dividend withholding tax should not have been applied to portfolio dividends paid to foreign investment Funds, the Manager has lodged claims with the French tax authorities for repayment of tax on dividends that was withheld between 2007 and 2009 and in 2012. Notwithstanding the judgement in favour of foreign Funds, the Manager believes that due to political and economic uncertainty there is insufficient evidence to recognise the reclaim as an asset under accounting regulations and accordingly has treated the reclaim as a contingent asset. The value of the reclaim is Nil (2020 – £163,104).

For the purposes of daily pricing, to ensure the interests of incoming, ongoing and exiting investors is appropriately balanced, the Manager has made a proportionate adjustment to the value of shares to reflect this asset.

12 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2020 – Nil).

13 Related party transactions

The Manager exercises control over the Fund and is therefore a related party by virtue of its controlling influence.

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

The Manager acts as principal on all transactions of units in the Fund. The aggregate monies received 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 0.67% (2020 – 0.08%).

14 Unit classes

The Fund currently has nine unit classes. Following the introduction of the Schroders Annual Charge on 1 March 2021, as detailed on page 3, the Annual Management Charge from this date is included within the "all in one" fund management fee. Details of the Schroders Annual Charge and the amount for each unit class are disclosed in the Prospectus. Up to 1 March 2021, the Annual Management Charge was based on the average value of the Fund, calculated on a daily basis, and covered the remuneration of the Manager, the Investment Adviser and their overhead expenses and for each unit class was as follows:

A Accumulation units	1.50%
A Income units	1.50%
GBP Hedged L Accumulation units	0.675%
GBP Hedged L Income units	0.675%
GBP Hedged Z Income units	0.75%
L Accumulation units	0.675%
L Income units	0.675%
Z Accumulation units	0.75%
Z Income units	0.75%

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 14.

The distributions per unit class are given in the Distribution Table on page 28.

All classes have the same rights on winding up except for any realised gains or losses on forward foreign currency contracts which would remain in the GBP hedged unit classes.

15 Derivative and other financial instruments

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

Market price risk

The Fund's investment portfolio is exposed to market price fluctuations which are monitored by the Manager in pursuance of the investment objective and policy. Adherence to investment guidelines and to investment and borrowing powers set out in the Trust Deed, the Prospectus and in the Collective Investment Schemes sourcebook mitigates the risk of excessive exposure to any particular type of security or issuer.

Foreign currency risk

Where a portion of the net assets of the Fund are denominated in currencies other than sterling the balance sheet and total return can be affected by currency movements. Therefore the Manager may decide that a proportion of the investments that are not priced in sterling, may be covered by forward currency contracts, so that the Fund's exposure to currency risk is reduced.

Revenue received in other currencies is translated to sterling on or near the date of receipt. The Fund does not hedge or otherwise seek to avoid currency movement risk on accrued revenue.

Notes to the Accounts

For the year ended 20 September 2021 (continued)

Currency risk profile

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

Currency	2021 £000's	2020 £000's
Australian dollar	47,301	33,292
Canadian dollar	37,000	27,073
Euro	157,495	104,439
Hong Kong dollar	64,849	61,949
Indian rupee	9,081	-
Japanese yen	143,926	108,694
Mexican peso	-	6
Norwegian krone	84	14,419
Sterling	210,159	99,755
Swedish krona	23,408	15,402
US dollar	853,376	518,566

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.

Notes to the Accounts

For the year ended 20 September 2021 (continued)

Interest rate risk profile of financial assets and financial liabilities

The interest rate risk profile of financial assets and financial liabilities at the balance sheet date was as follows:

Currency	2021				2020			
	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's	Floating rate financial assets £000's	Fixed rate financial assets £000's	Financial assets not carrying interest £000's	Total £000's
Australian dollar	563	-	50,860	51,423	600	-	35,283	35,883
Canadian dollar	1	-	40,409	40,410	1	-	29,061	29,062
Euro	-	-	173,257	173,257	2,121	-	109,460	111,581
Hong Kong dollar	-	-	71,216	71,216	1,971	-	70,045	72,016
Indian rupee	945	-	8,136	9,081	-	-	-	-
Japanese yen	-	-	156,389	156,389	-	-	116,607	116,607
Mexican peso	-	-	-	-	6	-	-	6
Norwegian krone	25	-	59	84	25	-	14,394	14,419
Sterling	21,015	-	205,187	226,202	6,045	-	108,884	114,929
Swedish krona	-	-	23,408	23,408	-	-	15,402	15,402
US dollar	6,219	-	919,620	925,839	686	-	561,194	561,880

Currency	2021				2020			
	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's	Floating rate financial liabilities £000's	Fixed rate financial liabilities £000's	Financial liabilities not carrying interest £000's	Total £000's
Australian dollar	-	-	4,122	4,122	-	-	2,591	2,591
Canadian dollar	-	-	3,410	3,410	-	-	1,989	1,989
Euro	-	-	15,762	15,762	-	-	7,142	7,142
Hong Kong dollar	112	-	6,255	6,367	1,903	-	8,164	10,067
Japanese yen	-	-	12,463	12,463	-	-	7,913	7,913
Sterling	-	-	16,043	16,043	2,063	-	13,111	15,174
US dollar	-	-	72,463	72,463	-	-	43,314	43,314

There are no material amounts of non-interest bearing financial assets, other than equities and collective investment schemes, which do not have a maturity date.

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 London Interbank Offer 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.

Derivatives

Although the Fund may enter into derivative contracts for specific investment purposes in addition to being used for efficient management it is not the current intention to use derivatives for specific investment purposes.

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 20 September 2021 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:

Notes to the Accounts

For the year ended 20 September 2021 (continued)

Leverage

	2021			Leverage 20 September	2020			Leverage 20 September
	Lowest	Highest	Average		Lowest	Highest	Average	
	0.00%	4.41%	0.20%	0.00%	0.00%	1.57%	0.09%	0.01%

16 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.

2021	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Purchases ¹ :						
Equities	844,924	289	226	845,439	0.03	0.03
Corporate actions purchases:						
Equities	6,906	-	-	6,906	-	-
	851,830	289	226	852,345		

Sales						
Equities	533,309	(166)	(19)	533,124	(0.03)	-
Total cost of the Fund's average net asset value (%)		0.04	0.02			

1 Excluding corporate actions.

2020	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Purchases ¹ :						
Equities	659,092	186	198	659,476	0.03	0.03
Corporate actions purchases:						
Equities	1,621	-	-	1,621	-	-
	660,713	186	198	661,097		

Sales						
Equities	477,189	(154)	(44)	476,991	(0.03)	(0.01)
Total cost of the Fund's average net asset value (%)		0.04	0.02			

1 Excluding corporate actions.

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.49% (2020 – 0.36%).

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

Notes to the Accounts

For the year ended 20 September 2021 (continued)

17 Units in issue reconciliation

	Number of units in issue 20.9.20	Number of units issued	Number of units cancelled	Number of units converted	Number of units in issue 20.9.21
A Accumulation units	136,939,592	4,252,054	(15,602,979)	(1,103,907)	124,484,760
A Income units	1,830,431	49,014	(436,156)	(67,406)	1,375,883
GBP Hedged L Accumulation units	13,755,386	41,910,475	(5,647,644)	-	50,018,217
GBP Hedged L Income units	20,000	14,496,530	(580,825)	58,040,673	71,976,378
GBP Hedged Z Income units	100,820,958	27,015,706	(14,843,404)	(44,514,346)	68,478,914
L Accumulation units	175,975,934	178,961,404	(55,278,743)	(14,574)	299,644,021
L Income units	298,412,268	112,310,362	(9,829,228)	119,381	401,012,783
Z Accumulation units	211,490,601	97,656,392	(12,305,721)	912,465	297,753,737
Z Income units	192,671,708	55,056,533	(18,648,347)	681,998	229,761,892

18 Counterparty exposure

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

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
HSBC										
2021	283	-	-	-	-	-	-	-	-	283
2020	(1,090)	-	-	-	-	-	-	-	-	(1,090)

The collateral (pledged)/held by the Fund on behalf of the counterparties at the balance sheet date was as follows:

Counterparty	2021 £000's	2020 £000's
HSBC	(840)	1,130
Total	(840)	1,130

The nature of collateral (pledged)/held by the Fund on behalf of the counterparties at the balance sheet date was as follows:

	2021 £000's	2020 £000's
Cash	(840)	1,130
Total	(840)	1,130

Notes to the Accounts

For the year ended 20 September 2021 (continued)

19 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 20 September 2021, the price of each unit class has changed as follows:

	Dealing price 14.1.22	Dealing price 20.9.21	% change
A Accumulation units	154.50p	149.60p	3.28
A Income units	141.50p	137.40p	2.98
GBP Hedged L Accumulation units	63.26p	60.74p	4.15
GBP Hedged L Income units	54.97p	53.29p	3.15
GBP Hedged Z Income units	71.43p	69.23p	3.18
L Accumulation units	109.00p	105.30p	3.51
L Income units	99.19p	96.74p	2.53
Z Accumulation units	114.70p	110.80p	3.52
Z Income units	96.32p	93.91p	2.57

Distribution Table

Final distribution for the year ended 20 September 2021

Group 1 Units purchased prior to 21 September 2020

Group 2 Units purchased on or after 21 September 2020

	Net revenue 2021 per unit	Equalisation 2021 per unit	Distribution payable 20.11.21 per unit	Distribution paid 20.11.20 per unit
A Accumulation units				
Group 1	0.4805p	-	0.4805p	0.5747p
Group 2	0.0682p	0.4123p	0.4805p	0.5747p
A Income units				
Group 1	0.4324p	-	0.4324p	0.5309p
Group 2	0.0783p	0.3541p	0.4324p	0.5309p
GBP Hedged L Accumulation units				
Group 1	0.5802p	-	0.5802p	0.6006p
Group 2	0.3011p	0.2791p	0.5802p	0.6006p
GBP Hedged L Income units				
Group 1	0.5069p	-	0.5069p	0.3923p
Group 2	0.0269p	0.4800p	0.5069p	0.3923p
GBP Hedged Z Income units				
Group 1	0.6277p	-	0.6277p	0.6417p
Group 2	0.3368p	0.2909p	0.6277p	0.6417p
L Accumulation units				
Group 1	1.0386p	-	1.0386p	1.1076p
Group 2	0.4882p	0.5504p	1.0386p	1.1076p
L Income units				
Group 1	0.9539p	-	0.9539p	1.0431p
Group 2	0.3433p	0.6106p	0.9539p	1.0431p
Z Accumulation units				
Group 1	1.0276p	-	1.0276p	1.1253p
Group 2	0.3874p	0.6402p	1.0276p	1.1253p
Z Income units				
Group 1	0.8731p	-	0.8731p	0.9595p
Group 2	0.4123p	0.4608p	0.8731p	0.9595p

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 2020

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 75 to 102 of the 2020 Annual Report & Accounts (available on the Group's website –<https://www.schroders.com/en/investor-relations/results-and-reports/annual-report-and-accounts-2020/>), which provides more information on the activities of our Remuneration Committee and our remuneration principles and policies.

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

The Remuneration Committee of Schroders plc has established a remuneration policy to ensure the requirements of the UCITS Directive are met for all UCITS MRTs. The Remuneration Committee and the Board of Schroders plc review remuneration strategy at least annually. The directors of SUTL are responsible for the adoption of the remuneration policy, for reviewing its general principles at least annually, for overseeing its implementation and for ensuring compliance with relevant local legislation and regulation. During 2020 the Remuneration Policy was reviewed to ensure compliance with the UCITS/AIFMD remuneration requirements and no significant changes were made.

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

The total spend on remuneration is determined based on a profit share ratio, measuring variable remuneration charge against pre-bonus profit, and from a total compensation ratio, measuring total remuneration expense against net income. This ensures that the interests of employees are aligned with Schroders financial performance. In determining the remuneration spend each year, the underlying strength and sustainability of the business is taken into account, along with reports on risk, legal, compliance and internal audit matters from the heads of those areas.

- The remuneration data that follows reflects amounts paid in respect of performance during 2020.
- 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 151 UCITS MRTs of SUTL in respect of the financial year ended 31 December 2020 is £107.41 million, of which £40.88 million was paid to senior management, and £66.53 million was paid to MRTs deemed to be taking risk on behalf of SUTL or the UCITS funds that it manages and Control Function MRTs.

For additional qualitative information on remuneration policies and practices see www.schroders.com/rem-disclosures.

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 and regulated by the Financial Conduct 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

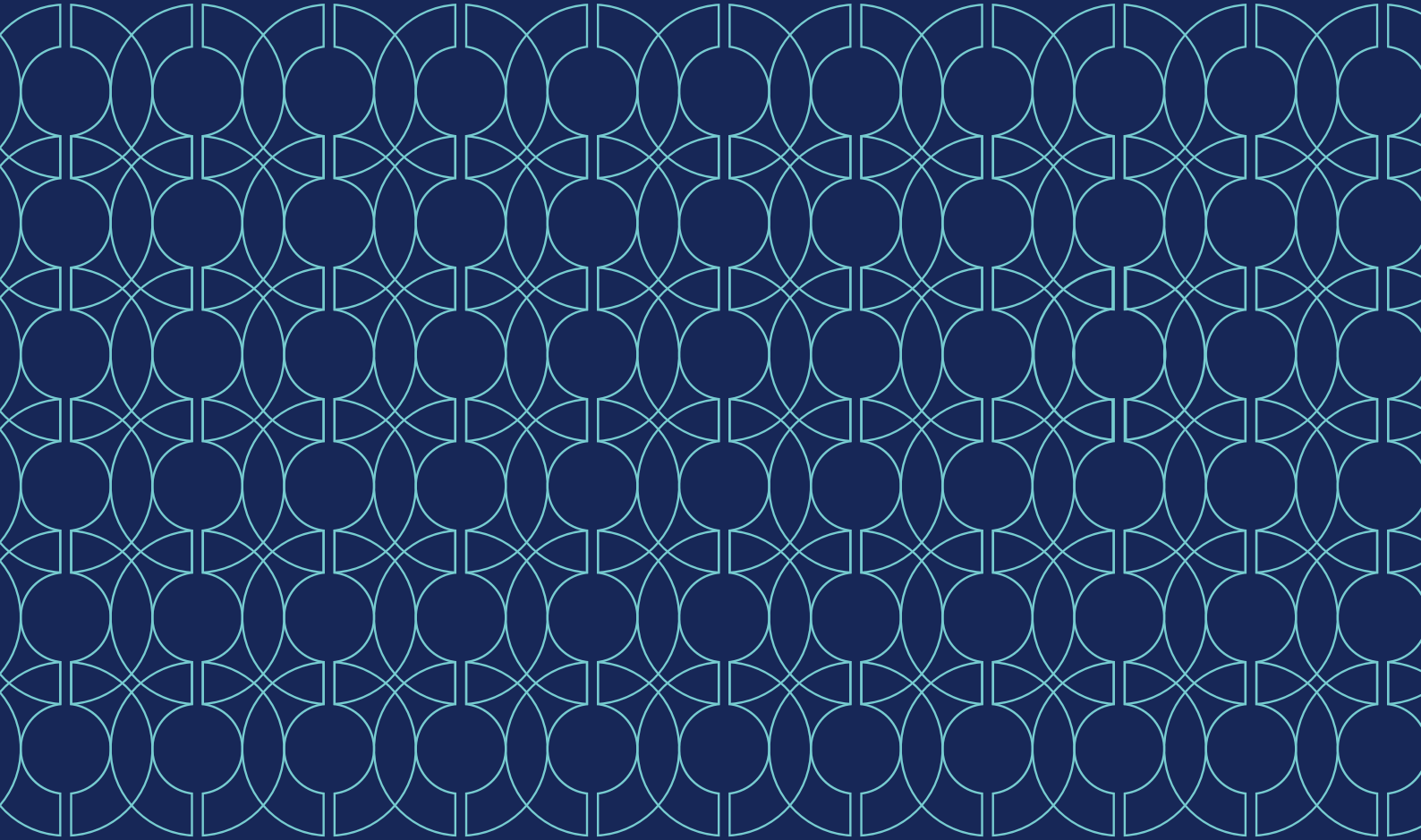
The Fund is an authorised unit trust and is constituted pursuant to the Collective Investment Schemes sourcebook and is structured as a Trust. The Fund is a UCITS scheme for the purpose of the categorisation of the Collective Investment Schemes sourcebook.

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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