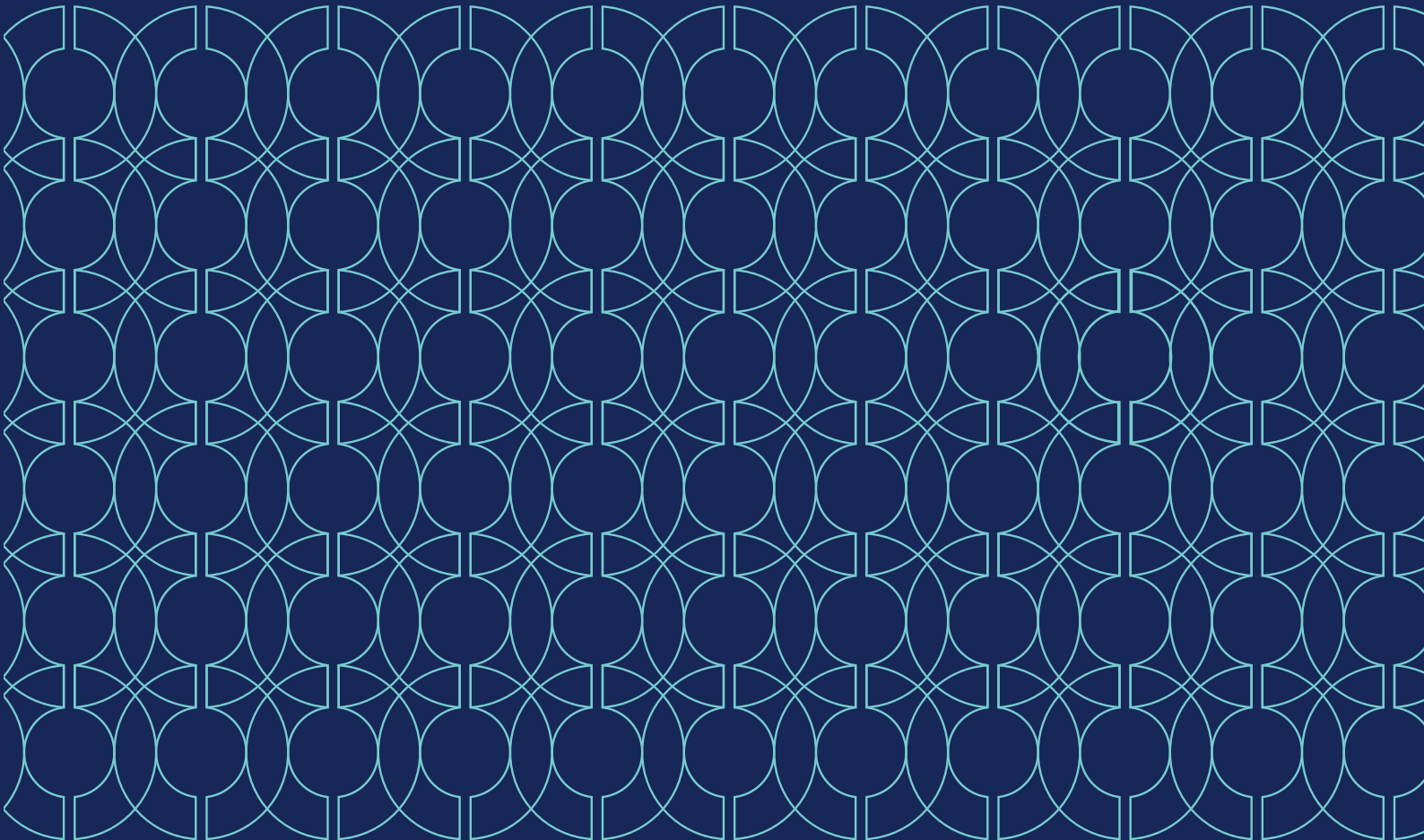


Schroders

Schroder Global Cities Real Estate  
Annual Report and Accounts  
20 September 2024



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<sup>1</sup> Collectively these comprise the Manager's report.

# Fund Information

## Investment objective and policy

Schroder Global Cities Real Estate (the 'Fund') aims to provide income and capital growth in excess of the FTSE EPRA NAREIT Developed TR GBP (Net) index (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 2 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.

*With effect from 15 July 2024 the Fund's Investment objective and policy changed, previously it was:*

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 FTSE EPRA NAREIT Developed TR GBP (Net) index. 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.

# Review of Investment Activities

**From 20 September 2023 to 20 September 2024, the price of A Accumulation units on a dealing price basis rose by 13.49%. In the same period, the benchmark<sup>1</sup> increased by 10.98%<sup>2</sup>.**

Over the reporting period, the sector experienced significant highs and lows, primarily due to shifting macroeconomic views on inflation and interest rates rather than the sector's robust fundamentals. While the real estate sector lagged behind the broader equity market, it experienced a strong recovery in the last few months of the reporting period. The Fund benefited from investments in companies with strong fundamentals that are well-positioned to capitalise on opportunities arising from distressed private real estate investors. Since then, gradually lower inflation and a deteriorating macroeconomic environment have led to rate cuts across much of the developed world.

The largest positive contributors from a sector perspective have been Diversified REITs, the underweight position in Office REITs, and Health Care REITs. The largest detracting sectors were Diversified Telecommunications Services, Hotel & Resort REITs, and Residential REITs.

Given the macroeconomic backdrop of the reporting period, the Fund has strategically managed its portfolio. We have re-allocated capital from areas that had performed strongly and were closer to their price targets, such as Japanese Developers and Data Centres, reduced allocations to areas where we had lower upside, such as Industrial, and added to areas where we see significant upside, such as Triple Net Lease REITs, Tower REITs, and Retail REITs.

We remain confident that the Fund's long-term drivers, such as urbanisation, ageing populations, and emerging trends like artificial intelligence and e-commerce, will drive company earnings growth and propel performance.

**Co-Fund Manager:**  
**Tom Walker**



Tom joined Schroders in July 2014 and has over 25 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 25 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

<sup>1</sup> With effect from 15th July 2024 the Fund's benchmark changed from CPI+3% to the FTSE EPRA NAREIT Developed GBP (Net Total Return) index.

<sup>2</sup> Source: Morningstar.

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

# Risk Profile

## Risk and reward indicator



The risk category was calculated using historical performance data and may not be a reliable indicator of the Fund's future risk profile. The Fund's risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment.

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website [www.schroders.com/en-lu/lu/professional/literature/key-investor-information-documents/](http://www.schroders.com/en-lu/lu/professional/literature/key-investor-information-documents/).

# Statement of the Manager's Responsibilities

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

In preparing the accounts the Manager is responsible for:

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

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

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

**A. O'Donoghue**

Directors

4 December 2024

**P. Truscott**

# 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 2024.**

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  
11 October 2024

# Independent Auditor's Report to the Unitholders of Schroder Global Cities Real Estate

## Opinion

We have audited the financial statements of Schroder Global Cities Real Estate (the 'Fund') for the period ended 20 September 2024 which comprise the Statement of Total Return, the Statement of Change in Net Assets Attributable to Unitholders, the Balance Sheet, the Related Notes and Distribution Table for the Fund and the accounting policies set out on page 18.

In our opinion the financial statements:

- give a true and fair view, in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, of the financial position of the Fund as at 20 September 2024 and of the net revenue and the net capital gains on the property of the Fund for the period then ended; and
- have been properly prepared in accordance with the Trust Deed, the Statement of Recommended Practice relating to Authorised Funds, and the COLL Rules.

## Basis for opinion

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

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

## Going concern

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

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

Our conclusions based on this work:

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

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

## Fraud and breaches of laws and regulations – ability to detect

### Identifying and responding to risks of material misstatement due to fraud

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

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

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

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

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

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

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

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



# Independent Auditor's Report to the Unitholders of Schroder Global Cities Real Estate (continued)

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

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

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

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

## Other information

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

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

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

## Matters on which we are required to report by exception

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

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

## Manager's responsibilities

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

## Auditor's responsibilities

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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

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

### Grant Archer

For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

319 St Vincent Street

Glasgow

G2 5AS

4 December 2024

# Comparative Table

Financial year to 20 September	A Accumulation units			A Income units		
	2024 pence per unit	2023 pence per unit	2022 pence per unit	2024 pence per unit	2023 pence per unit	2022 pence per unit
<b>Change in net asset value</b>						
Opening net asset value	127.32	139.98	149.61	114.75	127.47	136.99
Return before operating charges*	18.22	(10.50)	(7.13)	16.45	(9.63)	(6.53)
Operating charges	(2.16)	(2.16)	(2.50)	(1.95)	(1.98)	(2.29)
<b>Return after operating charges*</b>	<b>16.06</b>	<b>(12.66)</b>	<b>(9.63)</b>	<b>14.50</b>	<b>(11.61)</b>	<b>(8.82)</b>
Distributions**	(1.86)	(1.31)	(0.76)	(1.82)	(1.11)	(0.70)
Retained distributions**	1.86	1.31	0.76	-	-	-
<b>Closing net asset value</b>	<b>143.38</b>	<b>127.32</b>	<b>139.98</b>	<b>127.43</b>	<b>114.75</b>	<b>127.47</b>
*after direct transaction costs of	(0.05)	(0.07)	(0.08)	(0.04)	(0.07)	(0.07)
<b>Performance</b>						
Return after charges (%)	12.61	(9.04)	(6.44)	12.64	(9.11)	(6.44)
<b>Other information</b>						
Closing net asset value (£000's)	137,386	145,182	180,880	648	684	1,825
Closing number of units	95,822,098	114,032,434	129,219,483	508,624	595,767	1,431,990
Operating charges (%)	1.65	1.67	1.65	1.65	1.67	1.65
Direct transaction costs (%)***	0.04	0.06	0.05	0.04	0.06	0.05
<b>Prices</b>						
Highest dealing price	146.20p	142.70p	163.30p	131.80p	130.00p	149.60p
Lowest dealing price	114.50p	120.20p	134.80p	102.90p	109.40p	123.40p

# Comparative Table (continued)

Financial year to 20 September	GBP Hedged L Accumulation units			GBP Hedged L Income units		
	2024 pence per unit	2023 pence per unit	2022 pence per unit	2024 pence per unit	2023 pence per unit	2022 pence per unit
<b>Change in net asset value</b>						
Opening net asset value	49.07	50.46	60.74	41.38	43.21	52.78
Return before operating charges*	10.46	(0.96)	(9.77)	8.83	(0.71)	(8.49)
Operating charges	(0.44)	(0.43)	(0.51)	(0.37)	(0.36)	(0.44)
<b>Return after operating charges*</b>	<b>10.02</b>	<b>(1.39)</b>	<b>(10.28)</b>	<b>8.46</b>	<b>(1.07)</b>	<b>(8.93)</b>
Distributions**	(1.08)	(0.88)	(0.73)	(0.91)	(0.76)	(0.64)
Retained distributions**	1.08	0.88	0.73	-	-	-
<b>Closing net asset value</b>	<b>59.09</b>	<b>49.07</b>	<b>50.46</b>	<b>48.93</b>	<b>41.38</b>	<b>43.21</b>
*after direct transaction costs of	(0.02)	(0.03)	(0.03)	(0.02)	(0.02)	(0.03)
<b>Performance</b>						
Return after charges (%)	20.42	(2.75)	(16.92)	20.44	(2.48)	(16.92)
<b>Other information</b>						
Closing net asset value (£000's)	7,892	10,904	18,539	86,152	77,665	35,405
Closing number of units	13,356,114	22,223,858	36,736,129	176,081,015	187,700,058	81,932,429
Operating charges (%)	0.86	0.88	0.86	0.85	0.87	0.85
Direct transaction costs (%)***	0.04	0.06	0.05	0.04	0.06	0.05
<b>Prices</b>						
Highest dealing price	59.86p	53.15p	65.63p	50.48p	45.66p	57.03p
Lowest dealing price	43.40p	45.04p	51.00p	36.60p	38.70p	44.31p

# Comparative Table (continued)

Financial year to 20 September	GBP Hedged Z Income units			L Accumulation units		
	2024 pence per unit	2023 pence per unit	2022 pence per unit	2024 pence per unit	2023 pence per unit	2022 pence per unit
<b>Change in net asset value</b>						
Opening net asset value	54.31	56.22	68.60	91.12	99.24	105.24
Return before operating charges*	11.58	(0.46)	(10.99)	12.98	(7.35)	(5.12)
Operating charges	(0.54)	(0.52)	(0.62)	(0.77)	(0.77)	(0.88)
<b>Return after operating charges*</b>	<b>11.04</b>	<b>(0.98)</b>	<b>(11.61)</b>	<b>12.21</b>	<b>(8.12)</b>	<b>(6.00)</b>
Distributions**	(1.16)	(0.93)	(0.77)	(1.97)	(1.71)	(1.37)
Retained distributions**	-	-	-	1.97	1.71	1.37
<b>Closing net asset value</b>	<b>64.19</b>	<b>54.31</b>	<b>56.22</b>	<b>103.33</b>	<b>91.12</b>	<b>99.24</b>
*after direct transaction costs of	(0.02)	(0.03)	(0.03)	(0.03)	(0.05)	(0.05)
<b>Performance</b>						
Return after charges (%)	20.33	(1.74)	(16.92)	13.40	(8.18)	(5.70)
<b>Other information</b>						
Closing net asset value (£000's)	9,209	6,093	61,487	322,707	314,564	332,702
Closing number of units	14,346,039	11,219,299	109,376,801	312,312,715	345,214,044	335,245,258
Operating charges (%)	0.93	0.95	0.93	0.82	0.84	0.82
Direct transaction costs (%)***	0.04	0.06	0.05	0.04	0.06	0.05
<b>Prices</b>						
Highest dealing price	66.21p	59.41p	74.11p	105.30p	101.50p	115.50p
Lowest dealing price	48.00p	50.34p	57.59p	82.00p	85.79p	95.40p

# Comparative Table (continued)

Financial year to 20 September	L Income units			S Accumulation units <sup>1</sup>		
	2024 pence per unit	2023 pence per unit	2022 pence per unit	2024 pence per unit	2023 pence per unit	2022 pence per unit
<b>Change in net asset value</b>						
Opening net asset value	80.26	89.08	95.78	43.95	47.71	50.00
Return before operating charges*	11.42	(6.59)	(4.65)	6.26	(3.56)	(2.28)
Operating charges	(0.68)	(0.69)	(0.80)	(0.21)	(0.20)	(0.01)
<b>Return after operating charges*</b>	<b>10.74</b>	<b>(7.28)</b>	<b>(5.45)</b>	<b>6.05</b>	<b>(3.76)</b>	<b>(2.29)</b>
Distributions**	(1.74)	(1.54)	(1.25)	(1.11)	(0.95)	(0.06)
Retained distributions**	-	-	-	1.11	0.95	0.06
<b>Closing net asset value</b>	<b>89.26</b>	<b>80.26</b>	<b>89.08</b>	<b>50.00</b>	<b>43.95</b>	<b>47.71</b>
*after direct transaction costs of	(0.03)	(0.05)	(0.05)	(0.02)	(0.03)	(0.02)
<b>Performance</b>						
Return after charges (%)	13.38	(8.17)	(5.69)	13.77	(7.88)	(4.58)
<b>Other information</b>						
Closing net asset value (£000's)	381,163	384,341	386,940	91	58	1
Closing number of units	427,015,814	478,887,224	434,380,951	181,349	131,363	3,000
Operating charges (%)	0.82	0.84	0.82	0.46	0.46	0.46
Direct transaction costs (%)***	0.04	0.06	0.05	0.04	0.06	0.05
<b>Prices</b>						
Highest dealing price	92.76p	91.12p	105.10p	50.95p	48.84p	51.02p
Lowest dealing price	72.23p	77.02p	86.83p	39.54p	41.31p	48.25p

# Comparative Table (continued)

Financial year to 20 September	Z Accumulation units			Z Income units		
	2024 pence per unit	2023 pence per unit	2022 pence per unit	2024 pence per unit	2023 pence per unit	2022 pence per unit
<b>Change in net asset value</b>						
Opening net asset value	95.79	104.42	110.83	77.95	86.53	93.03
Return before operating charges*	13.64	(7.74)	(5.40)	11.09	(6.41)	(4.52)
Operating charges	(0.89)	(0.89)	(1.01)	(0.72)	(0.74)	(0.85)
<b>Return after operating charges*</b>	<b>12.75</b>	<b>(8.63)</b>	<b>(6.41)</b>	<b>10.37</b>	<b>(7.15)</b>	<b>(5.37)</b>
Distributions**	(2.01)	(1.73)	(1.35)	(1.64)	(1.43)	(1.13)
Retained distributions**	2.01	1.73	1.35	-	-	-
<b>Closing net asset value</b>	<b>108.54</b>	<b>95.79</b>	<b>104.42</b>	<b>86.68</b>	<b>77.95</b>	<b>86.53</b>
*after direct transaction costs of	(0.03)	(0.06)	(0.06)	(0.03)	(0.05)	(0.05)
<b>Performance</b>						
Return after charges (%)	13.31	(8.26)	(5.78)	13.30	(8.26)	(5.77)
<b>Other information</b>						
Closing net asset value (£000's)	246,159	271,153	359,389	101,323	124,942	159,956
Closing number of units	226,791,958	283,072,831	344,164,929	116,893,890	160,279,153	184,855,674
Operating charges (%)	0.90	0.92	0.90	0.90	0.92	0.90
Direct transaction costs (%)***	0.04	0.06	0.05	0.04	0.06	0.05
<b>Prices</b>						
Highest dealing price	110.70p	106.80p	121.50p	90.04p	88.48p	102.00p
Lowest dealing price	86.21p	90.21p	100.40p	70.15p	74.76p	84.29p

\*\* 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 S Accumulation units launched on 7 September 2022.

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](http://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 20.9.24	Market Value £000's	% of net assets
<b>Equities 100.11% (100.37%)</b>			
<b>Australia 6.27% (4.43%)</b>			
Charter Hall Group REIT	1,461,665	11,874	0.92
Goodman Group REIT	1,509,595	28,008	2.17
Ingenia Communities Group REIT	2,176,645	5,667	0.44
NEXTDC	1,728,572	14,811	1.14
Stockland REIT	7,530,804	20,648	1.60
		<b>81,008</b>	<b>6.27</b>
<b>Belgium 0.87% (1.74%)</b>			
VGP	146,073	11,214	0.87
		<b>11,214</b>	<b>0.87</b>
<b>Canada 0.85% (0.90%)</b>			
RioCan Real Estate Investment Trust	968,881	11,011	0.85
		<b>11,011</b>	<b>0.85</b>
<b>France 1.40% (1.27%)</b>			
Klepierre REIT	738,342	18,127	1.40
		<b>18,127</b>	<b>1.40</b>
<b>Germany 2.36% (1.27%)</b>			
Instone Real Estate Group	672,077	5,278	0.41
Vonovia	947,920	25,213	1.95
		<b>30,491</b>	<b>2.36</b>
<b>Guernsey 1.16% (1.19%)</b>			
Shurgard Self Storage REIT	430,745	15,035	1.16
		<b>15,035</b>	<b>1.16</b>
<b>Hong Kong 3.54% (3.59%)</b>			
Hang Lung Properties	8,651,000	4,766	0.37
Link REIT	6,046,746	22,970	1.78
Sun Hung Kai Properties	2,289,929	18,006	1.39
		<b>45,742</b>	<b>3.54</b>
<b>India 0.38% (0.48%)</b>			
Brookfield India Real Estate Trust REIT	1,986,875	4,950	0.38
		<b>4,950</b>	<b>0.38</b>
<b>Japan 7.84% (10.32%)</b>			
Daiwa House REIT Investment	4,083	5,026	0.39
GLP J-REIT REIT	10,931	7,653	0.59
Hulic REIT	7,025	5,102	0.39
Japan Hotel REIT Investment	44,405	16,367	1.27
LaSalle Logiport REIT	8,284	6,215	0.48
Mitsubishi Estate	1,626,219	19,372	1.50
Mitsui Fudosan	3,614,850	25,827	2.00
Sumitomo Realty & Development	636,700	15,800	1.22
		<b>101,362</b>	<b>7.84</b>

	Holding at 20.9.24	Market Value £000's	% of net assets
<b>Singapore 1.89% (2.89%)</b>			
CapitaLand Investment	14,336,500	24,457	1.89
		<b>24,457</b>	<b>1.89</b>
<b>Spain 2.42% (2.44%)</b>			
Cellnex Telecom	544,462	16,341	1.27
Merlin Properties Socimi REIT	1,551,952	14,884	1.15
		<b>31,225</b>	<b>2.42</b>
<b>Supranational 0.87% (0.00%)</b>			
Unibail-Rodam-co-Westfield REIT	176,012	11,277	0.87
		<b>11,277</b>	<b>0.87</b>
<b>United Kingdom 4.15% (4.57%)</b>			
Big Yellow Group REIT	626,387	8,055	0.62
British Land REIT	3,884,013	17,408	1.35
Segro REIT	3,231,028	28,149	2.18
		<b>53,612</b>	<b>4.15</b>
<b>United States of America 66.11% (65.28%)</b>			
Acadia Realty Trust REIT	611,372	10,455	0.81
Alexandria Real Estate Equities REIT	294,564	26,674	2.06
American Tower REIT	78,738	13,800	1.07
AvalonBay Communities REIT	230,584	39,661	3.07
Broadstone Net Lease REIT	1,584,139	22,437	1.74
Cousins Properties REIT	777,268	17,172	1.33
CubeSmart REIT	430,552	17,390	1.35
DiamondRock Hospitality REIT	840,785	5,755	0.45
Digital Realty Trust REIT	518,984	62,334	4.82
EastGroup Properties REIT	134,842	19,090	1.48
Equinix REIT	103,538	68,097	5.27
Equity Residential REIT	639,857	36,858	2.85
Essential Properties Realty Trust REIT	960,939	24,609	1.90
Healthpeak Properties REIT	1,888,908	31,135	2.41
Host Hotels & Resorts REIT	1,598,227	22,420	1.73
InvenTrust Properties REIT	414,745	9,256	0.72
Invitation Homes REIT	1,027,123	27,464	2.12
Kilroy Realty REIT	524,436	15,875	1.23
Prologis REIT	615,408	58,703	4.54
Public Storage REIT	189,256	51,023	3.95
Regency Centers REIT	436,107	23,594	1.82
Retail Opportunity Investments REIT	1,199,151	14,230	1.10
Rexford Industrial Realty REIT	811,634	31,199	2.41

# Portfolio Statement (continued)

	Holding at 20.9.24	Market Value £000's	% of net assets		Holding at 20.9.24	Market Value £000's	% of net assets
Simon Property Group REIT	389,487	48,904	3.78	Buy USD 23,617 Sell GBP 17,761 30/10/2024		0	0.00
Sun Communities REIT	325,790	34,916	2.70	Sell AUD 12,344,211 Buy GBP 6,355,195 27/09/2024		26	0.00
Terreno Realty REIT	494,982	25,359	1.96	Sell AUD 1,286,983 Buy GBP 657,612 27/09/2024		(2)	0.00
UDR REIT	502,007	17,237	1.33	Sell AUD 12,888,524 Buy GBP 6,604,676 30/10/2024		(12)	0.00
Ventas REIT	778,739	36,455	2.82	Sell EUR 11,633,462 Buy GBP 9,882,246 27/09/2024		108	0.01
Welltower REIT	449,209	42,494	3.29	Sell EUR 2,545 Buy GBP 2,138 27/09/2024		0	0.00
		<b>854,596</b>	<b>66.11</b>	Sell EUR 11,354,269 Buy GBP 9,541,344 30/10/2024		41	0.00
<b>Equities total</b>		<b>1,294,107</b>	<b>100.11</b>	Sell HKD 38,323,469 Buy GBP 3,750,496 27/09/2024		48	0.00
<b>Forward Foreign Currency Contracts 0.08% ((0.15)%)</b>				Sell HKD 8,267 Buy GBP 799 27/09/2024		0	0.00
Buy AUD 13,378,461 Sell GBP 6,852,187 27/09/2024		13	0.00	Sell HKD 1,226,882 Buy GBP 118,716 30/10/2024		0	0.00
Buy AUD 252,733 Sell GBP 130,438 27/09/2024		(1)	0.00	Sell HKD 36,963,348 Buy GBP 3,571,302 30/10/2024		(1)	0.00
Buy AUD 136,221 Sell GBP 69,751 30/10/2024		0	0.00	Sell JPY 1,744,678,468 Buy GBP 9,177,689 27/09/2024		70	0.00
Buy EUR 4,611 Sell GBP 3,874 27/09/2024		0	0.00	Sell JPY 1,325,103 Buy GBP 6,888 27/09/2024		0	0.00
Buy EUR 11,631,396 Sell GBP 9,762,768 27/09/2024		(42)	0.00	Sell JPY 1,584,783,227 Buy GBP 8,326,208 30/10/2024		(25)	0.00
Buy EUR 2,902 Sell GBP 2,439 30/10/2024		0	0.00	Sell SGD 3,621,393 Buy GBP 2,115,497 27/09/2024		5	0.00
Buy HKD 36,974,914 Sell GBP 3,568,121 27/09/2024		2	0.00	Sell SGD 1,168 Buy GBP 680 27/09/2024		0	0.00
Buy HKD 1,356,821 Sell GBP 132,505 27/09/2024		(1)	0.00	Sell SGD 3,511,487 Buy GBP 2,048,536 30/10/2024		1	0.00
Buy HKD 9,632 Sell GBP 931 30/10/2024		0	0.00	Sell SGD 9 Buy GBP 5 30/10/2024		0	0.00
Buy JPY 1,584,742,132 Sell GBP 8,288,327 27/09/2024		25	0.00	Sell USD 91,682,619 Buy GBP 69,892,602 27/09/2024		872	0.07
Buy JPY 161,261,439 Sell GBP 852,530 27/09/2024		(11)	0.00	Sell USD 20,300 Buy GBP 15,282 27/09/2024		0	0.00
Buy JPY 1,903,364 Sell GBP 9,970 30/10/2024		0	0.00	Sell USD 91,785,020 Buy GBP 69,013,775 30/10/2024		9	0.00
Buy SGD 5,379 Sell GBP 3,129 27/09/2024		0	0.00	Sell USD 305 Buy GBP 229 30/10/2024		0	0.00
Buy SGD 3,617,182 Sell GBP 2,106,837 27/09/2024		(1)	0.00	<b>Forward Foreign Currency Contracts total</b>		<b>1,103</b>	<b>0.08</b>
Buy SGD 132,849 Sell GBP 77,532 30/10/2024		0	0.00	<b>Portfolio of investments</b>		<b>1,295,210</b>	<b>100.19</b>
Buy USD 36,595 Sell GBP 27,548 27/09/2024		0	0.00	<b>Net other liabilities</b>		<b>(2,480)</b>	<b>(0.19)</b>
Buy USD 91,666,324 Sell GBP 68,933,898 27/09/2024		(21)	0.00	<b>Net assets attributable to unitholders</b>		<b>1,292,730</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 20 September 2023.  
Unless otherwise stated, all securities are admitted to official stock exchange listings.



# Statement of Total Return

For the year ended 20 September 2024

	Notes	2024		2023	
		£000's	£000's	£000's	£000's
<b>Income</b>					
Net capital gains/(losses)	2		138,201		(142,617)
Revenue	3	44,128		43,045	
Expenses	4	(12,092)		(13,352)	
Net revenue before taxation		<b>32,036</b>		<b>29,693</b>	
Taxation	5	(4,745)		(4,427)	
Net revenue after taxation			<b>27,291</b>		<b>25,266</b>
<b>Total return before distributions</b>			<b>165,492</b>		<b>(117,351)</b>
Distributions	6		(26,069)		(24,445)
<b>Change in net assets attributable to unitholders from investment activities</b>			<b>139,423</b>		<b>(141,796)</b>

# Statement of Change in Net Assets Attributable to Unitholders

For the year ended 20 September 2024

	2024		2023	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		1,335,586		1,537,124
Amounts receivable on issue of units	119,417		152,858	
Amounts payable on cancellation of units	(314,372)		(225,125)	
		<b>(194,955)</b>		<b>(72,267)</b>
Dilution adjustment		33		34
Change in net assets attributable to unitholders from investment activities		139,423		(141,796)
Retained distribution on Accumulation units		12,643		12,491
<b>Closing net assets attributable to unitholders</b>		<b>1,292,730</b>		<b>1,335,586</b>

# Balance Sheet

As at 20 September 2024

	Notes	2024		2023	
		£000's	£000's	£000's	£000's
<b>Assets</b>					
Investments			1,295,327		1,340,590
<b>Current assets</b>					
Debtors	8		3,662		20,120
Cash and bank balances	9		13,550		12,369
<b>Total assets</b>			<b>1,312,539</b>		<b>1,373,079</b>
<b>Liabilities</b>					
Investment liabilities			(117)		(2,023)
Provisions for liabilities	10		(166)		(216)
<b>Creditors</b>					
Bank overdrafts	11		(760)		-
Distributions payable			(11,110)		(11,195)
Other creditors	12		(7,656)		(24,059)
<b>Total liabilities</b>			<b>(19,809)</b>		<b>(37,493)</b>
<b>Net assets attributable to unitholders</b>			<b>1,292,730</b>		<b>1,335,586</b>

# Notes to the Accounts

## For the year ended 20 September 2024

### 1 Accounting policies

#### Basis of preparation

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

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

#### Revenue

Dividends 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 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 does not form part of the distribution.

#### Dilution adjustment

In certain circumstances the Manager may apply a dilution adjustment on subscriptions and redemptions of units. 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 2024 (continued)

### 2 Net capital gains/(losses)

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

	2024	2023
	£000's	£000's
Non-derivative securities	132,542	(147,702)
Forward foreign currency contracts	5,932	7,313
Foreign currency losses	(273)	(2,228)
<b>Net capital gains/(losses)</b>	<b>138,201</b>	<b>(142,617)</b>

### 3 Revenue

	2024	2023
	£000's	£000's
Overseas dividends	40,007	9,701
Real estate income distributions	2,155	31,596
Scrip dividends	1,222	831
Bank interest	744	917
<b>Total revenue</b>	<b>44,128</b>	<b>43,045</b>

### 4 Expenses

	2024	2023
	£000's	£000's
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Schroders Annual Charge <sup>1</sup>	12,081	13,344
<b>Other expenses:</b>		
Professional fee	3	-
Interest payable	8	8
<b>Total expenses</b>	<b>12,092</b>	<b>13,352</b>

<sup>1</sup> Audit fees including VAT for the year were £8,593 (2023 - £8,593).

# Notes to the Accounts

## For the year ended 20 September 2024 (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

	2024	2023
	£000's	£000's
Corporation tax	4,494	3,818
Double tax relief	(4,494)	(3,818)
Overseas withholding tax	4,795	4,484
<b>Total current tax</b>	<b>4,795</b>	<b>4,484</b>
<b>Deferred tax (Note 5(c))</b>		
Origination and reversal of timing differences	(50)	(57)
<b>Total taxation (Note 5(b))</b>	<b>4,745</b>	<b>4,427</b>

#### (b) Factors affecting the total 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% (2023 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2024	2023
	£000's	£000's
<b>Net revenue before taxation</b>	<b>32,036</b>	<b>29,693</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	6,407	5,939
<b>Effects of:</b>		
Revenue not subject to corporation tax	(1,913)	(2,121)
Overseas withholding tax	4,795	4,484
Double tax relief	(4,494)	(3,818)
Movement in deferred tax for the year	(50)	(57)
<b>Total tax charge for the year (Note 5(a))</b>	<b>4,745</b>	<b>4,427</b>

#### (c) Provision for deferred tax

	2024	2023
	£000's	£000's
Provision at the start of the year	216	273
Movement in deferred tax for the year (Note 5(a))	(50)	(57)
<b>Provision at the end of the year</b>	<b>166</b>	<b>216</b>

### 6 Distributions

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

	2024	2023
	£000's	£000's
Final Dividend distribution	23,753	23,686
Add: Revenue deducted on cancellation of units	3,508	1,854
Deduct: Revenue received on issue of units	(1,192)	(1,095)
<b>Distributions</b>	<b>26,069</b>	<b>24,445</b>
Net revenue after taxation	27,291	25,266
Scrip dividends not distributed	(1,222)	(831)
Expenses taken to capital	-	(57)
Equalisation on conversions	-	67
<b>Distributions</b>	<b>26,069</b>	<b>24,445</b>

Details of the distributions per unit are set out in the Distribution Table on page 26.

# Notes to the Accounts

## For the year ended 20 September 2024 (continued)

### 7 Fair value hierarchy

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

Basis of valuation	2024		2023	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	1,294,107	-	1,340,529	-
Level 2: Observable market data	1,220	(117)	61	(2,023)
Level 3: Unobservable data	-	-	-	-
<b>Total</b>	<b>1,295,327</b>	<b>(117)</b>	<b>1,340,590</b>	<b>(2,023)</b>

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

	2024 £000's	2023 £000's
Amounts receivable for issue of units	200	355
Sales awaiting settlement	30	14,908
Accrued revenue	2,726	4,202
Overseas withholding tax recoverable	706	655
<b>Total debtors</b>	<b>3,662</b>	<b>20,120</b>

### 9 Cash and bank balances

	2024 £000's	2023 £000's
Cash and bank balances	13,550	10,779
Amounts held at futures clearing houses and brokers	-	1,590
<b>Total cash and bank balances</b>	<b>13,550</b>	<b>12,369</b>

### 10 Provisions for liabilities

	2024 £000's	2023 £000's
Deferred taxation	166	216
<b>Total provisions for liabilities</b>	<b>166</b>	<b>216</b>

### 11 Bank Overdraft

	2024 £000's	2023 £000's
Amounts overdrawn at futures clearing houses and brokers	760	-
<b>Total bank overdrafts</b>	<b>760</b>	<b>-</b>

# Notes to the Accounts

## For the year ended 20 September 2024 (continued)

### 12 Other creditors

	2024	2023
	£000's	£000's
Amounts payable for cancellation of units	5,835	1,989
Purchases awaiting settlement	-	20,326
Accrued expenses	1,821	1,744
<b>Total other creditors</b>	<b>7,656</b>	<b>24,059</b>

### 13 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2023 – Nil).

### 14 Related party transactions

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

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

The Manager acts as principal on all transactions of units in the Fund. The aggregate monies paid through the issue and cancellation of units are disclosed in the Statement of Change in Net Assets Attributable to Unitholders and Distributions in the Notes to the Accounts. Amounts due from or to the Manager in respect of unit transactions at the balance sheet date are included under Debtors and Other creditors in the Notes to the Accounts.

Units held or managed by the Manager as a percentage of the Fund's net asset value at the balance sheet date were 0.00% (2023 – 0.00%).

### 15 Unit classes

At the reporting date the Fund had ten unit classes. The costs and expenses due to the Manager are referred to as the Schroders Annual Charge. Details of the charges applied to each unit class can be found in the prospectus.

The closing net asset value of each unit class, the closing net asset value per unit and the closing number of units in issue are given in the Comparative Table on pages 10 to 14.

The distributions per unit class are given in the Distribution Table on page 26.

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 hedged unit classes.

### 16 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. At the year end date, if the prices of investments held by the Fund increased or decreased by 10%, with all other variables remaining constant, then net assets attributable to the unitholders would increase or decrease by approximately £129,521,000 (2023 - £133,856,700).

#### 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 2024 (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	2024	2023
	£000's	£000's
Australian dollar	74,486	54,908
Canadian dollar	11,015	12,089
Euro	108,032	98,048
Hong Kong dollar	42,152	44,715
Indian rupee	5,810	7,325
Japanese yen	93,630	128,379
Singapore dollar	22,485	35,780
Sterling	147,742	147,640
US dollar	787,378	806,702

At the year end date, if the value of Sterling increased or decreased by 10% against all other currencies, with all other variables remaining constant, then the net assets attributable to the unitholders will increase or decrease by approximately £114,498,800 (2023 - £118,794,600).

### Liquidity risk

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

### Interest rate risk

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

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

At the year end date 0.99% (2023 - 0.93%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

### Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average Rate. Foreign currency bank balances and amounts held or overdrawn at futures clearing houses and brokers bear interest at rates based on the Sterling Overnight Index Average Rate or its international equivalent.

### Fair value of financial assets and financial liabilities

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

### Derivatives

During the year the Fund entered into derivative contracts for specific investment purposes in addition to being used for efficient management.

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.

During the year the Fund entered into derivative contracts for the efficient management of the Fund.

### 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 2024 the global risk exposure of the Fund did not exceed 100% of its Net Asset Value. The lowest, highest, average and actual level of leverage for the Fund as at the balance sheet date was as follows:

#### Leverage

2024				2023			
Lowest	Highest	Average	Leverage 20 September	Lowest	Highest	Average	Leverage 20 September
0.00%	1.21%	0.04%	0.00%	0.00%	2.70%	0.12%	0.43%

# Notes to the Accounts

## For the year ended 20 September 2024 (continued)

### 17 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.

2024	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Purchases <sup>1</sup> :						
Equities	312,513	95	213	312,821	0.03	0.07
Corporate actions purchases:						
Equities	3,133	-	-	3,133	-	-
	315,646	95	213	315,954		

<b>Sales</b>						
Equities	491,079	(127)	(27)	490,925	(0.03)	(0.01)
Total cost as a percentage of the Fund's average net asset value (%)		0.02	0.02			

2023	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Purchases <sup>1</sup> :						
Equities	808,868	177	358	809,403	0.02	0.04
Corporate actions purchases:						
Equities	2,467	-	-	2,467	-	-
	811,335	177	358	811,870		

<b>Sales</b>						
Equities	814,626	(203)	(69)	814,354	(0.02)	(0.01)
Total cost as a percentage of the Fund's average net asset value (%)		0.03	0.03			

1 Excluding corporate actions.

#### Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.16% (2023 – 0.12%).

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 2024 (continued)

### 18 Units in issue reconciliation

	Number of units in issue 20.9.23	Number of units issued	Number of units cancelled	Number of units converted	Number of units in issue 20.9.24
A Accumulation units	114,032,434	4,216,277	(22,386,748)	(39,865)	95,822,098
A Income units	595,767	14,727	(119,447)	17,577	508,624
GBP Hedged L Accumulation units	22,223,858	3,412,361	(12,280,105)	-	13,356,114
GBP Hedged L Income units	187,700,058	23,657,085	(34,521,188)	(754,940)	176,081,015
GBP Hedged Z Income units	11,219,299	7,047,138	(4,495,784)	575,386	14,346,039
L Accumulation units	345,214,044	60,655,862	(93,629,265)	72,074	312,312,715
L Income units	478,887,224	32,313,893	(83,803,519)	(381,784)	427,015,814
S Accumulation units	131,363	49,986	-	-	181,349
Z Accumulation units	283,072,831	9,122,843	(65,469,125)	65,409	226,791,958
Z Income units	160,279,153	7,838,423	(51,491,414)	267,728	116,893,890

### 19 Counterparty exposure

The types of non-exchange traded derivatives held at the balance sheet date were forward foreign currency contracts. 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
<b>Deutsche Bank</b>										
2024	-	-	-	-	-	-	-	-	-	-
2023	6	-	-	-	-	-	-	-	-	6
<b>HSBC</b>										
2024	1,103	-	-	-	-	-	-	-	-	1,103
2023	(1,968)	-	-	-	-	-	-	-	-	(1,968)

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

Counterparty	2024 £000's	2023 £000's
HSBC	760	1,590
<b>Total</b>	<b>760</b>	<b>1,590</b>

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

	2024 £000's	2023 £000's
Cash	760	1,590
<b>Total</b>	<b>760</b>	<b>1,590</b>

# Distribution Table

## Final distribution for the year ended 20 September 2024

**Group 1** Units purchased prior to 21 September 2023

**Group 2** Units purchased on or after 21 September 2023

	Net revenue 2024 per unit	Equalisation 2024 per unit	Distribution payable 20.11.24 per unit	Distribution paid 20.11.23 per unit
<b>A Accumulation units</b>				
Group 1	1.8569p	-	1.8569p	1.3096p
Group 2	0.5218p	1.3351p	1.8569p	1.3096p
<b>A Income units</b>				
Group 1	1.8199p	-	1.8199p	1.1094p
Group 2	0.6838p	1.1361p	1.8199p	1.1094p
<b>GBP Hedged L Accumulation units</b>				
Group 1	1.0779p	-	1.0779p	0.8835p
Group 2	0.6522p	0.4257p	1.0779p	0.8835p
<b>GBP Hedged L Income units</b>				
Group 1	0.9064p	-	0.9064p	0.7605p
Group 2	0.4483p	0.4581p	0.9064p	0.7605p
<b>GBP Hedged Z Income units</b>				
Group 1	1.1628p	-	1.1628p	0.9339p
Group 2	0.2514p	0.9114p	1.1628p	0.9339p
<b>L Accumulation units</b>				
Group 1	1.9728p	-	1.9728p	1.7133p
Group 2	0.9915p	0.9813p	1.9728p	1.7133p
<b>L Income units</b>				
Group 1	1.7380p	-	1.7380p	1.5379p
Group 2	0.9087p	0.8293p	1.7380p	1.5379p
<b>S Accumulation units</b>				
Group 1	1.1131p	-	1.1131p	0.9467p
Group 2	0.4856p	0.6275p	1.1131p	0.9467p
<b>Z Accumulation units</b>				
Group 1	2.0092p	-	2.0092p	1.7256p
Group 2	0.8851p	1.1241p	2.0092p	1.7256p
<b>Z Income units</b>				
Group 1	1.6394p	-	1.6394p	1.4299p
Group 2	0.9932p	0.6462p	1.6394p	1.4299p

## 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 2023

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 74 to 93 of the 2023 Annual Report & Accounts (available on the Group's website <https://www.schroders.com/ir>) which provides more information on the activities of our Remuneration Committee and our remuneration principles and policies.

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

The Remuneration Committee of Schroders plc has established a remuneration policy to ensure the requirements of the UCITS Directive are met for all UCITS MRTs. The Remuneration Committee and the Board of Schroders plc review remuneration strategy at least annually. The directors of SUTL are responsible for the adoption of the remuneration policy and periodically reviewing its implementation in relation to SUTL. During 2023 the Remuneration Policy was reviewed to ensure compliance with the UCITS/AIFMD remuneration requirements and no significant changes were made.

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

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

The remuneration data that follows reflects amounts paid in respect of performance during 2023.

- 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 SUTL<sup>1</sup>. 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 160 UCITS MRTs of SUTL in respect of the financial year ended 31 December 2023 is £106.64 million, of which £44.44 million was paid to senior management, £60.22 million was paid to MRTs deemed to be taking risk on behalf of SUTL or the UCITS funds that it manages and £1.98 million was paid to Control Function MRTs.

For additional qualitative information on remuneration policies and practices see [www.schroders.com/rem-disclosures](http://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 by the Prudential Regulation Authority and regulated  
by the Financial Conduct Authority and Prudential Regulation Authority

## Registrar

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

## Administration Details

Schroders Investor Services  
PO BOX 1402  
Sunderland  
SR43 4AF

## Independent Auditor

KPMG LLP  
319 St Vincent Street  
Glasgow G2 5AS

## Authorisation

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

## Value Assessment

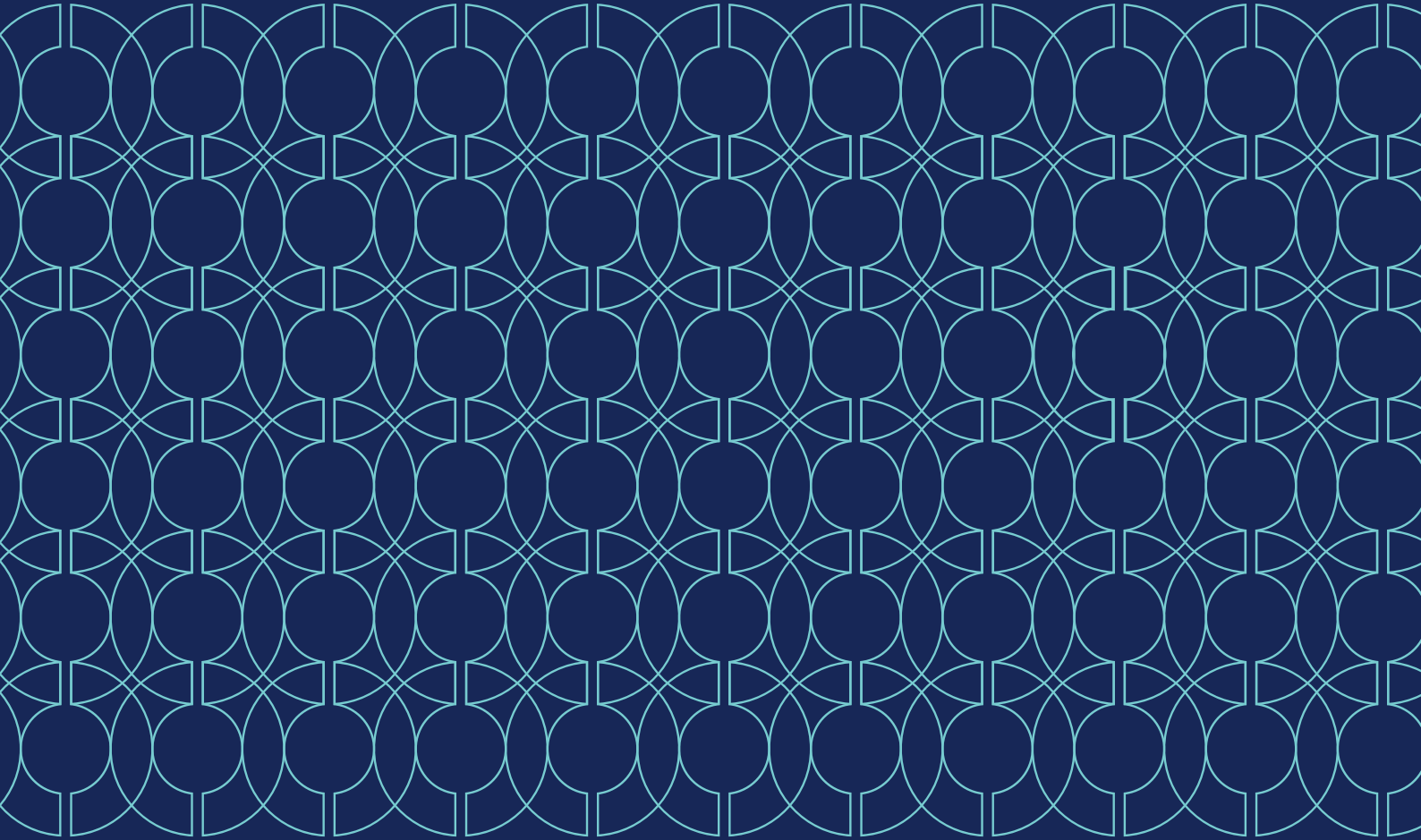
A statement on the Assessment of Value is published on the group website at <https://www.schroders.com/en-gb/uk/intermediary/funds-and-strategies/charges/schroders-assessment-of-value-reports/> within 4 months of the annual 'reference date' 31 December.

## Task Force on Climate-Related Financial Disclosures

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

## Other information

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



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

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