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¹ Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

Schroder Recovery Fund (the 'Fund') aims to provide capital growth in excess of the FTSE All Share (Gross Total Return) Index (after fees have been deducted) over a three to five year period by investing in equity and equity related securities of UK companies that have suffered a severe setback in either share price or profitability.

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

The Fund applies a disciplined value investment approach, seeking to invest in a select portfolio of companies that the Investment Manager believes are significantly undervalued relative to their long-term earnings potential.

The Fund may also invest directly or indirectly in other securities (including in other asset classes), countries, regions, industries or currencies, collective investment schemes (including Schroder funds), warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of achieving investment gains, reducing risk or managing the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus).

Fund characteristics

The Fund's performance should be assessed against its target benchmark being to exceed the FTSE All Share (Gross Total Return) Index, and compared against the MSCI UK Value (Gross Total Return) Index and the Investment Association UK All Companies sector average return. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmarks have been selected because the Investment Manager and the Manager believe that each of these benchmarks is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Total purchases and sales

	For the period to 15.1.23 £000's	For the year to 15.7.22 £000's
Total purchases	100,827	316,042
Total sales	80,840	400,616

Fund Performance

	Number of units in issue 15.1.23	Net asset value per unit 15.1.23	Net asset value per unit 15.7.22
A Accumulation units	104,070	26,354.59p	23,362.28p
A Income units	11,414	13,743.92p	12,179.39p
L Accumulation units	413,841,949	89.40p	78.93p
L Income units	270,986,841	71.06p	62.71p
S Income units	3,660,231	64.10p	56.49p
Z Accumulation units	333,614,635	141.08p	124.60p
Z Income units	59,583,217	107.40p	94.81p

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

Review of Investment Activities

From 15 July 2022 to 13 January 2023, the price of Z Accumulation units on a dealing price basis rose 13.97%. In the same period, the FTSE¹ All Share Index generated a total return of 10.67%².

UK equities rose over the period and the Fund outperformed the FTSE All-Share index.

Top contributors included energy services businesses Hunting, interdealer broker TP ICAP Group, energy group Eni, miner Ferrexpo and NatWest Group. First-half financial results from TP ICAP revealed revenue and earnings better than consensus expectations and an increased interim dividend.

Among the largest detractors were Airtel Africa, Intel, transport group Firstgroup, energy services business Petrofac and telecoms company BT Group which was in midst of a dispute with frontline staff over pay and grappling with strike action.

We sold of our position in transport operator Go-Ahead Group following a bid and established a new position in Travis Perkins, which supplies building materials to the trade, but also to retail customers via its Toolstation business. We also established new positions in housebuilders Bellway and Taylor Wimpey, specialty chemicals business Synthomer and car manufacturer Renault.

Valuation spreads remain elevated and the gap remains sufficient to provide a strong tail wind for valuation based investors over the coming years. We need to recognise that the tailwind may not blow in 2023 itself, but over the next three to five years, the outlook for valuation based investors is good.

We constantly review portfolio management responsibilities to ensure the team's investment resources are focused on achieving the best outcomes for our clients. Over the last five years the Global Value Team has matured and developed its depth; the team has increased from seven to 13 people and has successfully launched several new products and strategies. This success has only intensified our focus on our number one priority: investment performance. With this firmly in mind, we believe that it is important to align the resources of the team in a way to ensure the team is in the best shape to continue to deliver for clients in the future.

Andrew Lyddon, one of the most experienced members of the team, has become co-portfolio manager of Schroder Recovery Fund, working alongside the long-serving existing co-manager Kevin Murphy. Nick Kirrage stepped down as co-manager of Schroder Recovery Fund to focus his analytical work on the global fund range, and managing the non-investment aspects of the Value franchise. Nick remains as co-head of the Value team alongside Kevin Murphy and will retain line management for several senior value investors. Andrew Lyddon has 16 years of investment experience and has always invested both in the UK and European equity markets. We are delighted that Andrew Lyddon will be able to continue his long working relationship with Kevin Murphy by bringing his experience to the Schroder Recovery Fund. This change was effective from 1 November 2022.

Co-Fund Manager: Kevin Murphy



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

Previously a sector analyst for Pan European Construction and Building Materials

Founding member of the Global Value Team in 2013

Investment career commenced at Schroders in 2000

Chartered Financial Analyst

Degree in Economics, Manchester University

Co-Fund Manager: Andrew Lyddon



Co-manager of European Income, European Recovery and Global Recovery strategies, with 17 years' investment experience

Past Specialist Value UK equities fund manager

UK equity analyst responsible for Telecommunications and Support Services

Joined Schroders in October 2005 as an Equity Analyst with the Pan European Industrials desk

CFA Charterholder

MSc in Intellectual Property Law, Queen Mary College

Degree in Chemistry, Bath University

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2 Source: Refinitiv Eikon Datastream.

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Risk Profile

Risk and reward indicator



The risk category was calculated using historical performance data and may not be a reliable indicator of the Fund’s future risk profile. The Fund’s risk category is not guaranteed to remain fixed and may change over time. A Fund in the lowest category does not mean a risk-free investment. For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Statement of the Manager's Responsibilities

The Financial Conduct Authority's Collective Investment Schemes sourcebook requires the Manager to prepare accounts for each annual and half yearly accounting period, in accordance with United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the financial position of the Fund and of its net revenue and the net capital gains on the property of the Fund for the period. In preparing the accounts the Manager is required to:

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

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

The Manager's report and accounts for the period ended 15 January 2023 were signed on 9 March 2023 on behalf of the Manager by:

S. Reedy
Directors

P. Chislett

Portfolio Statement

	Holding at 15.1.23	Market Value £000's	% of net assets
Equities 97.12% (96.68%)			
Basic Materials 8.76% (6.27%)			
Anglo American	457,638	16,328	1.45
Ferrexpo	12,353,066	21,519	1.91
Rio Tinto	347,590	21,617	1.91
Sibanye Stillwater	4,701,706	11,844	1.05
South32	6,251,142	16,347	1.45
Synthomer	7,465,800	11,176	0.99
		98,831	8.76
Consumer Discretionary 19.10% (18.29%)			
ASOS	1,619,657	12,050	1.07
Bellway	846,212	18,346	1.62
boohoo Group*	29,422,788	13,275	1.18
Currys	24,779,956	15,847	1.40
Firstgroup	19,211,706	20,864	1.85
Halfords Group	8,788,368	15,872	1.41
ITV	27,627,711	21,699	1.92
Marks & Spencer Group	13,906,908	20,290	1.80
Pearson	2,114,131	19,632	1.74
Renault	590,650	19,446	1.72
Taylor Wimpey	16,115,161	18,484	1.64
WPP	2,142,874	19,787	1.75
		215,592	19.10
Consumer Staples 6.79% (8.65%)			
British American Tobacco	583,825	18,236	1.62
Imperial Brands	840,210	17,165	1.52
J Sainsbury	9,568,523	23,051	2.04
Tesco	7,410,633	18,193	1.61
		76,645	6.79
Energy 11.98% (11.98%)			
BP	5,371,140	26,010	2.30
Eni	2,261,845	28,952	2.56
Hunting	6,698,978	22,073	1.96
John Wood Group	11,813,630	18,477	1.64
Petrofac	18,381,554	15,440	1.37
Shell	993,362	24,238	2.15
		135,190	11.98
Financials 20.38% (19.29%)			
Aviva	3,596,405	15,975	1.41
Barclays	17,901,600	32,352	2.87
HSBC Holdings	5,120,484	30,267	2.68
Lloyds Banking Group	52,693,613	26,144	2.32
M&G	13,169,629	26,629	2.36
NatWest Group	10,375,371	30,576	2.71
Provident Financial	7,187,287	14,907	1.32
Standard Chartered	4,950,756	35,051	3.11

	Holding at 15.1.23	Market Value £000's	% of net assets
TP ICAP Group	10,006,299	18,072	1.60
		229,973	20.38
Health Care 3.98% (5.65%)			
GSK	1,103,516	15,831	1.40
Sanofi	167,174	13,513	1.20
Viatis	1,662,370	15,637	1.38
		44,981	3.98
Industrials 15.46% (13.56%)			
Capita	78,593,589	21,425	1.90
De La Rue	12,425,108	9,381	0.83
Ibstock	4,375,732	7,176	0.64
International Distributions Services	8,313,917	18,997	1.68
Kier Group	25,153,306	16,375	1.45
Mitie Group	28,429,785	23,540	2.08
Rolls-Royce Holdings	16,968,683	18,448	1.63
Senior	9,791,614	13,728	1.22
Travis Perkins	2,451,335	25,053	2.22
Vesuvius	4,938,114	20,384	1.81
		174,507	15.46
Real Estate 3.25% (2.98%)			
Hammerson	70,115,050	18,924	1.68
Land Securities Group	2,543,380	17,789	1.57
		36,713	3.25
Technology 1.67% (2.45%)			
Intel	763,159	18,799	1.67
		18,799	1.67
Telecommunications 3.45% (5.24%)			
Airtel Africa	16,533,892	19,560	1.73
BT Group	15,266,139	19,388	1.72
		38,948	3.45
Utilities 2.30% (2.32%)			
Centrica	26,800,919	25,922	2.30
		25,922	2.30
Equities total		1,096,101	97.12
Corporate Bonds 0.91% (0.00%)			
Energy 0.91% (0.00%)			
Petrofac 9.75% 15/11/2026	20,865,000	10,238	0.91
		10,238	0.91
Corporate Bonds total		10,238	0.91
Portfolio of investments		1,106,339	98.03
Net other assets		22,219	1.97
Net assets attributable to unitholders		1,128,558	100.00

The comparative percentage figures in brackets are as at 15 July 2022.

Unless otherwise stated, all securities are admitted to official stock exchange listings.

Security traded on another regulated market.

Statement of Total Return (unaudited)

For the six months ended 15 January 2023

	15.1.23		15.1.22	
	£000's	£000's	£000's	£000's
Income				
Net capital gains		115,511		159,686
Revenue	21,614		19,473	
Expenses	(4,552)		(4,863)	
Net revenue before taxation	17,062		14,610	
Taxation	(399)		(1,045)	
Net revenue after taxation		16,663		13,565
Total return before distributions		132,174		173,251
Distributions		(118)		(1,231)
Change in net assets attributable to unitholders from investment activities		132,056		172,020

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

For the six months ended 15 January 2023

	15.1.23		15.1.22	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		1,004,409 [^]		1,100,646
Amounts receivable on issue of units	46,856		54,216	
Amounts payable on cancellation of units	(54,763)		(191,426)	
		(7,907)		(137,210)
Dilution adjustment		–		82
Change in net assets attributable to unitholders from investment activities		132,056		172,020
Closing net assets attributable to unitholders		1,128,558		1,135,538[^]

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

Balance Sheet (unaudited)

As at 15 January 2023

	15.1.23	15.7.22
	£000's	£000's
Assets		
Investments	1,106,339	971,096
Current assets		
Debtors	9,940	28,910
Cash and bank balances	15,127	15,263
Total assets	1,131,406	1,015,269
Liabilities		
Creditors		
Distributions payable	–	(7,583)
Other creditors	(2,848)	(3,277)
Total liabilities	(2,848)	(10,860)
Net assets attributable to unitholders	1,128,558	1,004,409

Notes to the Accounts (unaudited)

Accounting policies

Basis of preparation

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

The accounting policies applied are consistent with those of the annual accounts for the year ended 15 July 2022 and are described in those annual accounts.

General Information

Manager

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

Investment Adviser

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

Trustee

J.P. Morgan Europe Limited
Chaseside
Bournemouth BH7 7DA
Authorised by the Prudential Regulation Authority and regulated
by the Financial Conduct Authority and Prudential Regulation Authority

Registrar

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

Administration Details

Schroders Investor Services
PO BOX 1402
Sunderland
SR43 4AF

Independent Auditors

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Authorisation

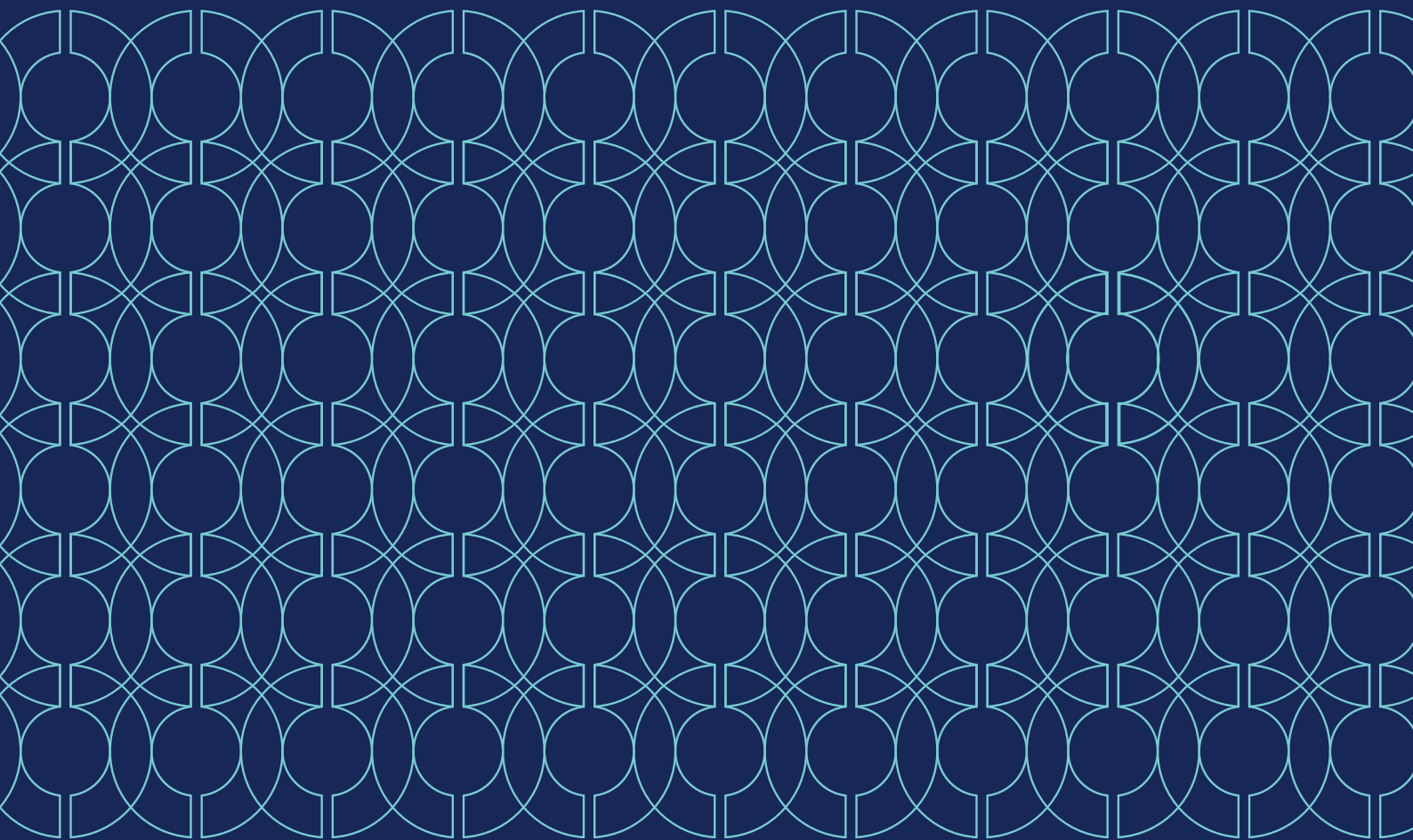
The Fund is an authorised unit trust and is constituted pursuant to the Collective Investment Schemes sourcebook and is structured as a Trust. The Fund is a UCITS scheme for the purpose of the categorisation of the Collective Investment Schemes sourcebook.

Value Assessment

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

Other information

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



EST. 1804

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

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