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

# Fund Information

## Investment objective and policy

Schroder Managed Wealth Portfolio (the 'Fund') aims to achieve capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 3.5% per annum (after fees have been deducted) over a five to seven year period by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and your capital is at risk.

The Fund is actively managed and invests its assets directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts or closed ended funds, in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. Alternative assets may include funds that use absolute return strategies or funds that invest directly in real estate or indirectly in commodities.

The Fund can invest up to 100% of its assets in collective investment schemes (including Schroder funds).

The Fund will seek to increase returns and reduce downside risk by making tactical adjustments to its holdings based on market conditions. The Fund will invest within the following ranges:

Cash: 0% – 20%

Bonds: 20% – 50%

Equities: 25% – 60%

Alternative Investments 0% – 35%

The Fund may also invest in warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to section 5 of Appendix I of the Prospectus).

*With effect from 27 June 2022 the Fund's Investment objective and policy changed, previously it was:*

The Fund aims to achieve capital growth and income of inflation (as measured by the UK Consumer Price Index) plus 3.5% per annum (after fees have been deducted) over a five to seven year period by investing in a diversified range of assets and markets worldwide. This cannot be guaranteed and your capital is at risk.

The Fund is actively managed and invests its assets directly, or indirectly through collective investment schemes, exchange traded funds, real estate investment trusts or closed ended funds, in equity and equity related securities, fixed and floating rate securities and alternative assets worldwide. Alternative assets may include funds that use absolute return strategies or funds that invest directly in real estate or indirectly in commodities.

The Fund invests at least 50% of its assets in collective investment schemes (including Schroder funds).

The Fund will seek to increase returns and reduce downside risk by making tactical adjustments to its holdings based on market conditions. The Fund will invest within the following ranges:

Cash: 0% – 20%

Bonds: 20% – 50%

Equities: 25% – 60%

Alternative Investments 0% – 35%

The Fund may also invest in warrants and money market instruments, and hold cash.

The Fund may use derivatives with the aim of reducing risk or managing the Fund more efficiently (for more information please refer to section 5 of Appendix I of the Prospectus).

## Fund characteristics

The Fund's performance should be assessed against its target benchmark of the UK Consumer Price Index plus 3.5%, and compared against the Investment Association Mixed Investment 40% to 85% Shares sector average return. The 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 31 January 2022 to 31 January 2023, the price of A Accumulation units on a dealing price basis fell 1.48%. In the same period, the UK Consumer Price Index plus 3.5% increased by 13.90%<sup>1</sup>.**

The period under review was one of unfortunate records. The UK experienced the sad death of the country's longest-serving monarch and its shortest-ever premiership. The invasion of Ukraine led to the most significant military conflict in Europe in 75 years, while the global economy witnessed the highest inflation rates since the 1970s. It is perhaps no surprise that 2022 was a difficult year for investors and was particularly challenging as both stock and bond markets suffered in tandem. This unusual behaviour was very much a reflection of high inflation during a period of slowing economic growth.

Over the course of the period, the Fund's exposure to risk assets was reduced given the slowing economic growth backdrop and recessionary fears, ending the period with c.43% in equities. In addition to a reduction in the headline level of the asset class, the underlying components of the equity allocation were amended. The strategy's fund exposure to European equities, in the form of Martin Currie European Unconstrained, was sold given the challenging inflation backdrop and growth outlook in the face of the conflict in Ukraine. Proceeds from this sale were rotated into US equities, namely the Neuberger Berman US Large Cap Value Fund. This strategy focuses on larger, quality companies trading at a reasonable price.

In addition to geographic shifts, capital was rotated from smaller company focused funds to strategies that invest in larger companies. In this vein, the following positions were sold from the Fund: William Blair US Small-Mid Cap Growth Fund, Aravis Spyglass US Growth Fund, LF Tellworth UK Smaller Companies Fund and PineBridge Japan Small Cap Equity Fund. These sales served to moderate the Fund's small cap growth bias. The proceeds were used to invest in the Vanguard S&P 500 ETF and Trojan Income Fund. In addition, after equity markets rallied strongly from their lows in June 2022, it was deemed prudent to reduce risk in the portfolio and lock in profits. This was achieved by bringing down the Fund's UK equity exposure by selling the SPDR FTSE UK All Share Index.

Within the Fund's fixed income allocation, exposure to credit was built up through establishing a position in the Schroder Sterling Corporate Bond Fund as it was felt that risks were more fully reflected in credit valuations and yields looked relatively attractive. Elsewhere, government bond exposure was rotated from China to more developed nations after the decision was taken to sell out of the Chinese Government Bond position, locking in positive performance. Proceeds were invested in index linked gilts and hedged US treasuries. The aim of these trades was to take an initial step towards increasing the defensiveness of this segment of the portfolio against a backdrop of rising economic growth concerns. Later in the period, the decision was taken to increase duration in the UK bond exposure, which was expressed by purchasing long-dated gilts.

Within alternatives, the L&G Multi-Strategy Enhanced Commodities UCITS Fund strategy performed well over the 12 months given the rise in commodity prices in the wake of the invasion of Ukraine, in addition to benefiting from the long-term structural underinvestment in this industry. Over the course of the 12 months, TM Tellworth UK Select Fund was purchased in the Fund's hedge fund allocation, replacing Schroder GAIA Helix. We favour holding a blend of managers and styles to ensure the strategies are well diversified and that the mix of funds can deliver less correlated returns across a range of market environments. Lastly, the Fund's liquid private equity names struggled over the period as discounts widened amid weakening sentiment. Notable transactions in this segment over the period include the divestment from Aberdeen Standard Listed Private Capital Fund following the manager's departure and a number of the individual trusts, including Harmony Energy Income Trust, Harbourvest Global Private Equity, and Digital 9 Infrastructure, were sold and the proceeds were rolled into the Schroder SSF Diversified Alternative Assets Fund and the Schroder SSF Sustainable Diversified Alternative Assets Fund.

**Fund Manager:**  
**Charles Armstrong**



Charles Armstrong joined Cazenove Capital in 2001 having started his career with Buchler Phillips, Corporate Recovery & Restructuring specialists

He is a Portfolio Director with responsibility for managing UK private client portfolios, private OEICs and inflation plus mandates which also includes the Schroder Managed Wealth Portfolio Fund

He is a member of the Wealth Management Investment Committee, Sustainable Investment Committee, Research Committee and the Private Equity Committee

Charles is a Fellow of the Chartered Institute for Securities & Investment and has 22 years' investment experience

<sup>1</sup> 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 is based upon the Fund’s risk target and there is no guarantee that the Fund will achieve it. 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](http://www.schroders.com).

# Statement of the Manager's Responsibilities

The Financial Conduct Authority's Collective Investment Schemes sourcebook requires the Manager to prepare accounts for each annual and half yearly accounting period, in accordance with United Kingdom Generally Accepted Accounting Practice, which give a true and fair view of the financial position of the Fund and of its net revenue and the net capital losses on the property of the Fund for the 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 31 January 2023 were signed on 25 May 2023 on behalf of the Manager by:

**P. Chislett**  
Directors

**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 Managed Wealth Portfolio ('the Fund') for the year ended 31 January 2023.**

The Trustee of the Schroder Managed Wealth Portfolio 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**

Depository  
Bournemouth  
15 February 2023

# Independent auditors' report to the Unitholders of Schroder Managed Wealth Portfolio

## Report on the audit of the financial statements

### Opinion

In our opinion, the financial statements of Schroder Managed Wealth Portfolio (the "Fund"):

- give a true and fair view of the financial position of the Fund as at 31 January 2023 and of the net revenue and the net capital losses 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 31 January 2023; 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 Managed Wealth Portfolio (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](http://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  
25 May 2023

# Comparative Table

## A Accumulation units

## A Income units

Financial year to 31 January	2023 pence per unit	2022 pence per unit	2021 pence per unit	2023 pence per unit	2022 pence per unit	2021 pence per unit
<b>Change in net asset value</b>						
Opening net asset value	277.82	266.60	257.41	209.55	201.09	194.16
Return before operating charges*	0.77	16.55	14.27	0.58	12.46	10.75
Operating charges	(5.29)	(5.33)	(5.08)	(3.99)	(4.00)	(3.82)
<b>Return after operating charges*</b>	<b>(4.52)</b>	<b>11.22</b>	<b>9.19</b>	<b>(3.41)</b>	<b>8.46</b>	<b>6.93</b>
Distributions**	-	-	-	-	-	-
<b>Closing net asset value</b>	<b>273.30</b>	<b>277.82</b>	<b>266.60</b>	<b>206.14</b>	<b>209.55</b>	<b>201.09</b>
*after direct transaction costs of	(0.03)	(0.11)	-	(0.02)	(0.08)	-
<b>Performance</b>						
Return after charges (%)	(1.63)	4.21	3.57	(1.63)	4.21	3.57
<b>Other information</b>						
Closing net asset value (£000's)	9,082	9,758	10,100	787	935	1,583
Closing number of units	3,323,117	3,512,542	3,788,475	381,696	446,391	787,038
Operating charges (%)	1.95	1.89	2.03	1.95	1.89	2.03
Direct transaction costs (%)***	0.01	0.04	-	0.01	0.04	-
<b>Prices</b>						
Highest dealing price	284.20p	295.90p	274.06p	214.40p	223.20p	206.72p
Lowest dealing price	258.80p	266.50p	212.41p	195.20p	201.00p	160.25p

# Comparative Table

## (continued)

Financial year to 31 January	S Accumulation units			S Income units		
	2023 pence per unit	2022 pence per unit	2021 pence per unit	2023 pence per unit	2022 pence per unit	2021 pence per unit
<b>Change in net asset value</b>						
Opening net asset value	73.54	69.78	66.62	68.12	64.94	62.30
Return before operating charges*	0.22	4.33	3.75	0.19	4.03	3.51
Operating charges	(0.60)	(0.57)	(0.59)	(0.55)	(0.53)	(0.55)
<b>Return after operating charges*</b>	<b>(0.38)</b>	<b>3.76</b>	<b>3.16</b>	<b>(0.36)</b>	<b>3.50</b>	<b>2.96</b>
Distributions**	(0.69)	(0.34)	(0.34)	(0.64)	(0.32)	(0.32)
Retained distributions**	0.69	0.34	0.34	-	-	-
<b>Closing net asset value</b>	<b>73.16</b>	<b>73.54</b>	<b>69.78</b>	<b>67.12</b>	<b>68.12</b>	<b>64.94</b>
*after direct transaction costs of	(0.01)	(0.03)	-	(0.01)	(0.03)	-
<b>Performance</b>						
Return after charges (%)	(0.52)	5.39	4.74	(0.53)	5.39	4.75
<b>Other information</b>						
Closing net asset value (£000's)	90,363	86,743	68,535	81,427	83,930	84,835
Closing number of units	123,513,709	117,949,156	98,213,651	121,306,722	123,213,572	130,644,549
Operating charges (%)	0.82	0.77	0.91	0.82	0.76	0.91
Direct transaction costs (%)***	0.01	0.04	-	0.01	0.04	-
<b>Prices</b>						
Highest dealing price	75.38p	78.14p	71.69p	69.82p	72.71p	67.04p
Lowest dealing price	69.04p	69.83p	54.97p	63.95p	64.98p	51.39p

# Comparative Table (continued)

Financial year to 31 January	Z Accumulation units			Z Income units		
	2023 pence per unit	2022 pence per unit	2021 pence per unit	2023 pence per unit	2022 pence per unit	2021 pence per unit
<b>Change in net asset value</b>						
Opening net asset value	82.76	78.82	75.53	77.12	73.51	70.55
Return before operating charges*	0.23	4.89	4.24	0.21	4.57	3.94
Operating charges	(0.97)	(0.95)	(0.95)	(0.90)	(0.89)	(0.88)
<b>Return after operating charges*</b>	<b>(0.74)</b>	<b>3.94</b>	<b>3.29</b>	<b>(0.69)</b>	<b>3.68</b>	<b>3.06</b>
Distributions**	(0.48)	(0.08)	(0.11)	(0.44)	(0.07)	(0.10)
Retained distributions**	0.48	0.08	0.11	–	–	–
<b>Closing net asset value</b>	<b>82.02</b>	<b>82.76</b>	<b>78.82</b>	<b>75.99</b>	<b>77.12</b>	<b>73.51</b>
*after direct transaction costs of	(0.01)	(0.03)	–	(0.01)	(0.03)	–
<b>Performance</b>						
Return after charges (%)	(0.89)	5.00	4.36	(0.89)	5.01	4.34
<b>Other information</b>						
Closing net asset value (£000's)	11,199	11,517	11,027	3,212	3,365	3,514
Closing number of units	13,653,826	13,916,775	13,991,527	4,226,270	4,363,139	4,780,040
Operating charges (%)	1.20	1.14	1.28	1.20	1.14	1.28
Direct transaction costs (%)***	0.01	0.04	–	0.01	0.04	–
<b>Prices</b>						
Highest dealing price	84.76p	87.99p	80.99p	78.99p	82.07p	75.65p
Lowest dealing price	77.48p	78.84p	62.31p	72.20p	73.54p	58.18p

\*\* 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.

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).

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# Portfolio Statement

	Holding at 31.1.23	Market Value £000's	% of net assets
<b>Collective Investment Schemes 72.64% (72.81%)</b>			
<b>Guernsey 0.87% (4.51%)</b>			
Syncona <sup>§</sup>	976,345	1,707	0.87
		<b>1,707</b>	<b>0.87</b>
<b>Ireland 26.82% (19.42%)</b>			
Federated Hermes Unconstrained Credit Fund - Class F Stg£ Acc. Hedged Shares <sup>^</sup>	3,036,922	2,599	1.33
Invesco US Treasury Bond UCITS Fund - GBP Hdg Dist	256,008	9,035	4.61
iShares \$ Treasury Bond 20+yr Fund - Class GBP Hedged (Dist) Share Class	517,009	1,906	0.97
L&G Multi- Strategy Enhanced Commodities UCITS Fund - Share Class USD Accumulating	405,819	4,608	2.35
Neuberger Berman US Equity Index Putwrite Fund - GBP I3 Distributing Class - Hedged <sup>^</sup>	378,325	3,643	1.86
Neuberger Berman US Large Cap Value Fund - GBP I4 Distributing Class - Unhedged <sup>^</sup>	754,007	8,030	4.09
Polar Capital Insurance Fund - Class E GBP Distribution Shares <sup>^</sup>	824,998	6,458	3.29
Polar Capital UK Value Opportunities Fund - Class S GBP Distribution <sup>^</sup>	550,256	6,388	3.26
Prescient Equitile Global Equity Fund - Share Class: A USD A1 <sup>^</sup>	66,748	5,032	2.57
Schroder Private Equity Funds <sup>^†</sup>	373,498	1,124	0.57
Vanguard S&P 500 Fund - (USD) Distributing	60,419	3,761	1.92
		<b>52,584</b>	<b>26.82</b>
<b>Jersey 2.34% (1.08%)</b>			
WisdomTree Physical Gold Fund - GBP Daily Hedged	447,117	4,578	2.34
		<b>4,578</b>	<b>2.34</b>
<b>Luxembourg 29.93% (34.38%)</b>			
Brevan Howard Absolute Return Government Bond Fund - share Class: A1 (USD) <sup>^</sup>	20,177	2,243	1.14

	Holding at 31.1.23	Market Value £000's	% of net assets
Coremont Investment Landseeram European Equity Focus Long/Short Fund - F1 USD <sup>^</sup>	18,837	2,121	1.08
JPM GBP Liquidity LVNAV Fund - E (dist.) <sup>^†</sup>	9,878,638	9,879	5.04
Lumyna - Sandbar Global Equity Market Neutral Fund - GBP X2 (inc) <sup>^</sup>	20,181	1,882	0.96
Lyxor Core US TIPS DR Fund - GBP Hedged (Dist) Share Class	41,283	4,254	2.17
Morgan Stanley Global Asset Backed Securities Fund - SHX (GBP) <sup>^</sup>	250,232	5,738	2.93
Robeco Capital Growth BP Global Premium Equities Fund - KE GBP <sup>^</sup>	59,902	6,636	3.38
Schroder ISF Asian Total Return - Class S Distribution GBP <sup>^†</sup>	15,172	6,605	3.37
Schroder SSF Diversified Alternative Assets - Class S Distribution GBP <sup>^†</sup>	45,938	4,756	2.43
Schroder SSF Sustainable Diversified Alternative Assets Fund - Class S Distribution GBP <sup>†</sup>	51,779	4,802	2.45
Vontobel Fund - TwentyFour Absolute Return Credit - Class AQNG GBP <sup>^</sup>	100,747	9,768	4.98
		<b>58,684</b>	<b>29.93</b>
<b>United Kingdom 12.68% (13.42%)</b>			
Ashoka India Equity Investment Trust <sup>§</sup>	1,338,930	2,457	1.25
BB Healthcare Trust <sup>§</sup>	2,420,210	4,022	2.05
HgCapital Trust <sup>§</sup>	755,110	2,681	1.37
iShares Japan Equity Index Fund - Class S Income GBP <sup>^</sup>	2,201,760	2,101	1.07
Ninety One Global Environment Fund - Class K Income shares in sterling <sup>^</sup>	2,452,727	4,020	2.05
Schroder Sterling Corporate Bond Fund - Class S Income GBP <sup>^†</sup>	5,925,308	2,944	1.50
TM Tellworth UK Select Fund - Class F Income	2,225,275	2,875	1.47

# Portfolio Statement (continued)

	Holding at 31.1.23	Market Value £000's	% of net assets
Trojan Income Fund - X Income ^	4,064,205	3,771	1.92
		<b>24,871</b>	<b>12.68</b>
<b>Collective Investment Schemes total</b>		<b>142,424</b>	<b>72.64</b>
<b>Equities 14.13% (20.66%)</b>			
<b>Cayman Islands 1.33% (0.94%)</b>			
Meituan B	3,660	66	0.03
Tencent Holdings	36,600	1,450	0.74
Trip.com Group	36,339	1,088	0.56
		<b>2,604</b>	<b>1.33</b>
<b>France 0.73% (0.67%)</b>			
Schneider Electric	10,902	1,426	0.73
		<b>1,426</b>	<b>0.73</b>
<b>Hong Kong 0.64% (0.65%)</b>			
AIA Group	136,600	1,253	0.64
		<b>1,253</b>	<b>0.64</b>
<b>India 0.82% (0.93%)</b>			
HDFC Bank ADR	29,700	1,618	0.82
		<b>1,618</b>	<b>0.82</b>
<b>Ireland 0.56% (0.68%)</b>			
CRH	29,514	1,109	0.56
		<b>1,109</b>	<b>0.56</b>
<b>Jersey 0.00% (1.49%)</b>			
<b>South Korea 0.00% (0.85%)</b>			
<b>Taiwan 0.45% (0.66%)</b>			
Taiwan Semiconductor Manufacturing ADR	11,788	880	0.45
		<b>880</b>	<b>0.45</b>
<b>United Kingdom 3.06% (6.11%)</b>			
AstraZeneca	13,732	1,454	0.74
PCGH ZDP Preference	2,891,000	3,238	1.65

	Holding at 31.1.23	Market Value £000's	% of net assets
Sensata Technologies Holding	31,939	1,310	0.67
		<b>6,002</b>	<b>3.06</b>
<b>United States of America 6.54% (7.68%)</b>			
Adobe	3,004	897	0.46
Amazon.com	16,228	1,351	0.69
Cognex	17,105	747	0.38
Microsoft	7,114	1,422	0.73
NIKE B	13,398	1,379	0.70
NVIDIA	5,107	809	0.41
Palo Alto Networks	10,134	1,300	0.66
Thermo Fisher Scientific	3,283	1,503	0.77
TransUnion	16,866	971	0.50
UnitedHealth Group	2,534	1,021	0.52
Visa A	7,612	1,417	0.72
		<b>12,817</b>	<b>6.54</b>
<b>Equities total</b>		<b>27,709</b>	<b>14.13</b>
<b>Government Bonds 7.74% (0.00%)</b>			
<b>United Kingdom 7.74% (0.00%)</b>			
UK Treasury 1.25% 22/11/2027	1,905,438	3,721	1.90
UK Treasury 0.125% 31/01/2028	8,760,147	7,511	3.83
UK Treasury Bill 0.25% 31/07/2031	5,110,569	3,951	2.01
		<b>15,183</b>	<b>7.74</b>
<b>Government Bonds total</b>		<b>15,183</b>	<b>7.74</b>
<b>Corporate Bonds 1.56% (3.01%)</b>			
<b>France 0.00% (1.61%)</b>			
<b>United Kingdom 1.56% (1.40%)</b>			
HSBC Bank 0% 23/10/2024	2,150,000	3,057	1.56
		<b>3,057</b>	<b>1.56</b>
<b>Corporate Bonds total</b>		<b>3,057</b>	<b>1.56</b>
<b>Portfolio of investments</b>		<b>188,373</b>	<b>96.07</b>
<b>Net other assets</b>		<b>7,697</b>	<b>3.93</b>
<b>Net assets attributable to unitholders</b>		<b>196,070</b>	<b>100.00</b>

The comparative percentage figures in brackets are as at 31 January 2022.

Unless otherwise stated, all securities are admitted to official stock exchange listings or are permitted collective investment schemes.

§ Closed ended Fund.

^ Unlisted, suspended or delisted security.

† A related party to the Fund (Note 11)

# Statement of Total Return

For the year ended 31 January 2023

		2023	2022
	Notes	£000's	£000's
Income			
Net capital (losses)/gains	2	(2,875)	8,523
Revenue	3	2,738	1,757
Expenses	4	(1,027)	(1,031)
Net revenue before taxation		1,711	726
Taxation	5	(18)	(20)
Net revenue after taxation		1,693	706
Total return before distributions		(1,182)	9,229
Distributions	6	(1,712)	(784)
Change in net assets attributable to unitholders from investment activities		(2,894)	8,445

# Statement of Change in Net Assets Attributable to Unitholders

For the year ended 31 January 2023

	2023	2022
	£000's	£000's
Opening net assets attributable to unitholders	196,248	179,594
Amounts receivable on issue of units	13,654	26,060
Amounts payable on cancellation of units	(11,865)	(18,282)
	<b>1,789</b>	<b>7,778</b>
Dilution adjustment	7	16
Change in net assets attributable to unitholders from investment activities	(2,894)	8,445
Retained distribution on Accumulation units	920	415
<b>Closing net assets attributable to unitholders</b>	<b>196,070</b>	<b>196,248</b>

# Balance Sheet

As at 31 January 2023

		2023	2022
	Notes	£000's	£000's
Assets			
Investments		188,373	189,333
Current assets			
Debtors	8	2,549	139
Cash and bank balances		6,177	7,332
Total assets		197,099	196,804
Liabilities			
Creditors			
Distributions payable		(796)	(396)
Other creditors	9	(233)	(160)
Total liabilities		(1,029)	(556)
Net assets attributable to unitholders		196,070	196,248

# Notes to the Accounts

## For the year ended 31 January 2023

### 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 accounts have been prepared on a going concern basis.

#### Revenue

Dividends distributions receivable from equity investments and distributions receivable from authorised unit trusts and other collective investment schemes are recognised net of attributable tax credits and are credited to revenue when they are first quoted ex-dividend.

Interest receivable from bank balances is accounted for on an accruals basis.

Interest receivable from debt securities is accounted for on an effective yield basis.

The Annual management charge in respect of the Schroder Funds in which the Fund invests is rebated to the Fund so that no double charging occurs.

The rebates received from other investment managers are also receipted to the Fund.

All rebates are treated as revenue or capital based on the underlying Fund's treatment.

#### Special dividends

Special dividends are treated as revenue or capital depending on the facts of each particular case.

#### Equalisation

Equalisation on distributions received by the Fund is deducted from the cost of investments. As such the equalisation on distributions received by the Fund does not form part of the Fund's distribution.

#### Interest on debt securities bought or sold

Interest on debt securities bought or sold is excluded from the capital cost of securities, and is dealt with as part of the revenue of the Fund.

#### 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.

#### 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

All 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.

Dual priced authorised unit trusts have been valued at cancellation price.

Single priced authorised unit trusts have been valued at the dealing price.

All investments are valued net of any accrued interest which is included in the balance sheet as a revenue related item.

#### 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.



# Notes to the Accounts

## For the year ended 31 January 2023 (continued)

### 2 Net capital (losses)/gains

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

	2023	2022
	£000's	£000's
Non-derivative securities	(2,924)	8,582
Forward foreign currency contracts	-	96
Foreign currency gains/(losses)	47	(162)
Annual management charge rebates	2	7
<b>Net capital (losses)/gains</b>	<b>(2,875)</b>	<b>8,523</b>

### 3 Revenue

	2023	2022
	£000's	£000's
UK dividends	106	11
Overseas dividends	322	233
Franked distributions	1,186	973
Interest distributions	776	488
Interest on debt securities	243	15
Bank interest	49	-
Annual management charge rebates	56	37
<b>Total revenue</b>	<b>2,738</b>	<b>1,757</b>

### 4 Expenses

	2023	2022
	£000's	£000's
<b>Payable to the Manager, associates of the Manager and agents of either of them:</b>		
Annual management charge	-	72
Schroders Annual Charge <sup>1,2</sup>	1,024	954
	<b>1,024</b>	<b>1,026</b>
<b>Payable to the Trustee, associates of the Trustee and agents of either of them:</b>		
Trustee's fees	-	2
Dividend expenses	1	1
	<b>1</b>	<b>3</b>
<b>Other expenses:</b>		
Interest payable	2	2
<b>Total expenses</b>	<b>1,027</b>	<b>1,031</b>

- 1 Fees such as the Annual Management Charge, Trustee 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 2023 were £13,965 (2022 – £10,742).

# Notes to the Accounts

## For the year ended 31 January 2023 (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

	2023 £000's	2022 £000's
Overseas withholding tax	18	20
<b>Total current tax (Note 5(b))</b>	<b>18</b>	<b>20</b>

#### (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% (2022 – 20%) is applied to the net revenue before taxation. The differences are explained below.

	2023 £000's	2022 £000's
<b>Net revenue before taxation</b>	<b>1,711</b>	<b>726</b>
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	342	145
<b>Effects of:</b>		
Revenue not subject to corporation tax	(322)	(243)
Movement in excess management expenses	(20)	97
Overseas withholding tax	18	20
Tax on capital items	–	1
<b>Current tax charge for the year (Note 5(a))</b>	<b>18</b>	<b>20</b>

#### (c) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £329,596 (2022 – £349,465) in respect of unutilised management expenses. It is unlikely the Fund will generate sufficient taxable profits in the future to utilise this amount and therefore no deferred tax asset has been recognised in the year or prior year.

### 6 Distributions

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

	2023 £000's	2022 £000's
Final Dividend distribution	1,716	811
Add: Revenue deducted on cancellation of units	34	26
Deduct: Revenue received on issue of units	(38)	(53)
<b>Distributions</b>	<b>1,712</b>	<b>784</b>
Net revenue after taxation	1,693	706
Tax on capital items	–	1
Deficit taken to capital	18	77
Equalisation on conversions	1	–
<b>Distributions</b>	<b>1,712</b>	<b>784</b>

Details of the distributions per unit are set out in the Distribution Table on page 24.

# Notes to the Accounts

## For the year ended 31 January 2023 (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	2023		2022	
	Assets £000's	Liabilities £000's	Assets £000's	Liabilities £000's
Level 1: Quoted prices	81,901	–	80,259	–
Level 2: Observable market data	106,472	–	109,074	–
Level 3: Unobservable data	–	–	–	–
<b>Total</b>	<b>188,373</b>	<b>–</b>	<b>189,333</b>	<b>–</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

	2023 £000's	2022 £000's
Amounts receivable for issue of units	215	76
Sales awaiting settlement	2,264	–
Accrued revenue	61	60
Overseas withholding tax recoverable	9	3
<b>Total debtors</b>	<b>2,549</b>	<b>139</b>

### 9 Other creditors

	2023 £000's	2022 £000's
Amounts payable for cancellation of units	146	68
Accrued expenses	87	92
<b>Total other creditors</b>	<b>233</b>	<b>160</b>

### 10 Contingent liabilities

There were no contingent liabilities at the balance sheet date (2022 – Nil).

### 11 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.

Annual management charge rebates received or receivable from the Manager of £57,358 (2022 – £43,684) are disclosed under Net capital (losses)/gains and Revenue in the Notes to the Accounts. Amounts due from the Manager at the balance sheet date of £3,622 (2022 – £743) are included under Debtors 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 87.88% (2022 – 87.42%).

Related party holdings are disclosed in the Portfolio Statement. The revenue earned from these investments of £502,430 (2022 – £358,752) is included under Revenue in the Notes to the Accounts. Amounts receivable at the balance sheet date of £39,486 (2022 – Nil) are included under Debtors in the Notes to the Accounts.

# Notes to the Accounts

## For the year ended 31 January 2023 (continued)

### 12 Unit classes

At the reporting date the Fund had six 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 Fund may invest at least 100% of its assets in collective investment schemes (including Schroder Funds). The maximum level of Management fee that may be charged to the Fund for these underlying Funds is 3% of its net asset value.

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 12.

The distributions per unit class are given in the Distribution Table on page 24.

All classes have the same rights on winding up.

### 13 Derivative and other financial instruments

The main risks arising from the Fund's financial instruments are market price, 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 £18,837,300 (2022 - £18,933,300).

#### 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.

#### Currency risk profile

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

Currency	2023 £000's	2022 £000's
Euro	4,621	4,131
Hong Kong dollar	3,914	3,156
Sterling	165,659	154,375
US dollar	21,876	34,586

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 £3,041,100 (2022 - £4,187,300).

#### 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.

The Fund may invest in fixed and floating rate securities. The revenue of the Fund may be affected by changes to interest rates relevant to particular securities or as a result of the Manager being unable to secure similar returns on the expiry of contracts or sale of securities.

The value of interest bearing securities may be affected by interest rate movements or the expectation of such movements in the future.

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

# Notes to the Accounts

## For the year ended 31 January 2023 (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	2023				2022			
	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
Euro	953	–	3,668	4,621	359	–	3,772	4,131
Hong Kong dollar	56	–	3,858	3,914	25	–	3,131	3,156
Sterling	4,948	15,183	146,557	166,688	6,919	–	148,012	154,931
US dollar	220	–	21,656	21,876	29	–	34,557	34,586

Currency	2023				2022			
	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
Sterling	–	–	1,029	1,029	–	–	556	556

At the year end, if all interest rates increased or decreased by 10%, with all other variables remaining constant, then the net assets attributable to the unitholders will increase or decrease by approximately £2,136,000 (2022 - £733,200).

### 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.

### 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 31 January 2023 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

2023				2022			
Lowest	Highest	Average	Leverage 31 January	Lowest	Highest	Average	Leverage 31 January
0.00%	0.35%	0.00%	0.00%	0.00%	14.68%	0.21%	0.00%

# Notes to the Accounts

## For the year ended 31 January 2023 (continued)

### 14 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.

2023	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Bonds	20,962	–	–	20,962	–	–
Equities	15,523	2	13	15,538	0.01	0.08
Funds	89,256	–	–	89,256	–	–
	125,741	2	13	125,756		
<b>Sales</b>						
Bonds	8,761	–	–	8,761	–	–
Equities	24,056	(5)	(3)	24,048	(0.02)	(0.01)
Funds	90,641	–	–	90,641	–	–
	123,458	(5)	(3)	123,450		
Total cost of the Fund's average net asset value (%)						
		–	0.01			

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
<b>Purchases</b>						
Equities	50,121	–	71	50,192	–	0.14
Funds	91,924	–	–	91,924	–	–
	142,045	–	71	142,116		
<b>Sales</b>						
Bonds	8,972	–	–	8,972	–	–
Equities	18,068	–	(9)	18,059	–	(0.05)
Funds	104,738	–	–	104,738	–	–
	131,778	–	(9)	131,769		
Total cost of the Fund's average net asset value (%)						
		–	0.04			

#### Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.12% (2022 – 0.29%).

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 31 January 2023 (continued)

### 15 Units in issue reconciliation

	Number of units in issue 31.1.22	Number of units issued	Number of units cancelled	Number of units converted	Number of units in issue 31.1.23
A Accumulation units	3,512,542	19,580	(62,734)	(146,271)	3,323,117
A Income units	446,391	6,680	(70,928)	(447)	381,696
S Accumulation units	117,949,156	12,075,936	(6,047,120)	(464,263)	123,513,709
S Income units	123,213,572	6,687,059	(8,610,657)	16,748	121,306,722
Z Accumulation units	13,916,775	323,641	(1,256,636)	670,046	13,653,826
Z Income units	4,363,139	162,799	(534,527)	234,859	4,226,270

### 16 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 31 January 2023, the price of each unit class has changed as follows:

	Dealing price 22.5.23	Dealing price 31.1.23	% change
A Accumulation units	270.60p	272.70p	(0.77)
A Income units	204.20p	205.70p	(0.73)
S Accumulation units	72.67p	73.00p	(0.45)
S Income units	66.67p	67.62p	(1.40)
Z Accumulation units	81.39p	81.85p	(0.56)
Z Income units	75.40p	76.27p	(1.14)

# Distribution Table

## Final distribution for the year ended 31 January 2023

**Group 1** Units purchased prior to 1 February 2022

**Group 2** Units purchased on or after 1 February 2022

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution payable 31.3.23 per unit	Distribution paid 31.3.22 per unit
<b>A Accumulation units</b>				
Group 1	–	–	–	–
Group 2	–	–	–	–
<b>A Income units</b>				
Group 1	–	–	–	–
Group 2	–	–	–	–
<b>S Accumulation units</b>				
Group 1	0.6919p	–	0.6919p	0.3428p
Group 2	0.5030p	0.1889p	0.6919p	0.3428p
<b>S Income units</b>				
Group 1	0.6409p	–	0.6409p	0.3189p
Group 2	0.4477p	0.1932p	0.6409p	0.3189p
<b>Z Accumulation units</b>				
Group 1	0.4759p	–	0.4759p	0.0755p
Group 2	0.3234p	0.1525p	0.4759p	0.0755p
<b>Z Income units</b>				
Group 1	0.4443p	–	0.4443p	0.0697p
Group 2	0.2234p	0.2209p	0.4443p	0.0697p

## 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 2022

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 76 to 107 of the 2022 Annual Report & Accounts (available on the Group's website <https://www.schroders.com/en/investor-relations/results-and-reports/annual-report-and-accounts-2022/>), 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 2022 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 process documentation.

The ratio of total costs to net income through the market cycle 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, 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 2022.

- 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 158 UCITS MRTs of SUTL in respect of the financial year ended 31 December 2022 is £113.41 million, of which £38.94 million was paid to senior management, and £74.47 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](https://www.schroders.com/rem-disclosures).

<sup>1</sup> 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 Auditors

PricewaterhouseCoopers LLP  
Atria One  
144 Morrison Street  
Edinburgh EH3 8EX

## Authorisation

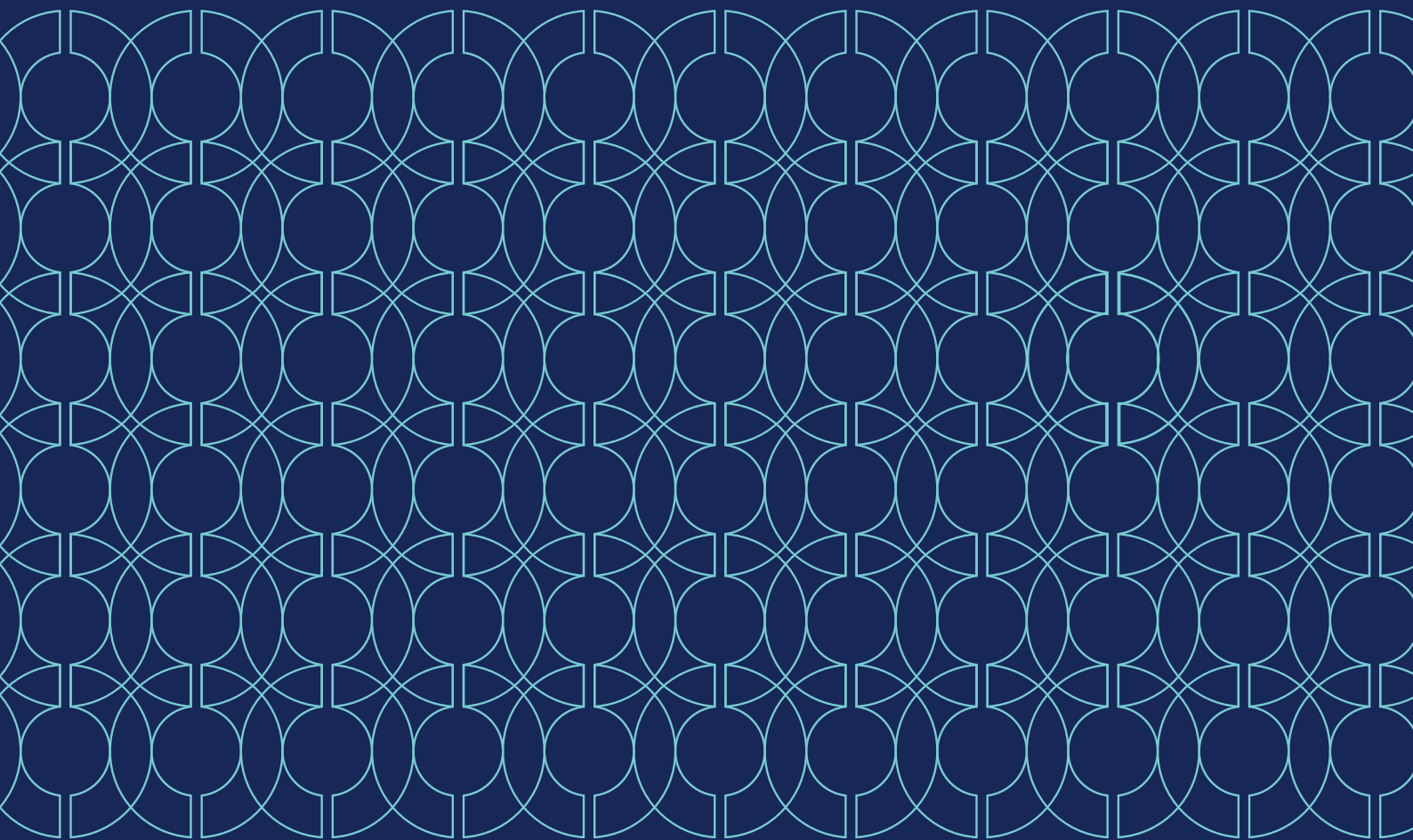
The Fund is an authorised unit trust and is constituted pursuant to the Collective Investment Schemes sourcebook and is structured as a Trust. The Fund is a UCITS scheme for the purpose of the categorisation of the Collective Investment Schemes sourcebook.

## 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](http://www.Schroders.com) within 4 months of the annual 'reference date' 30 June.

## 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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