

Schroders

Schroder UK Multi-Cap Income Fund
Annual Report and Accounts
29 February 2024



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¹ Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

Schroder UK Multi-Cap Income Fund (the 'Fund') aims to provide income and 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. The Fund also aims to deliver an income of 5% per year, although this is not guaranteed and could change depending on market conditions.

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

The Fund focusses on companies with a range of market capitalisations that have certain "Quality" characteristics. Quality is assessed by looking at indicators such as a company's profitability, stability and financial strength. To seek to enhance the yield, the Investment Manager selectively sells short dated call options over individual securities, portfolios of securities or indices held by the Fund, by agreeing strike prices above which potential capital growth is sold.

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 Appendix I Section 10: Derivatives and Forward Transactions of the Prospectus).

The Fund's investment strategy may typically underperform a similar portfolio of equities without a derivative overlay in periods when the underlying equity prices are rising, and has the potential to outperform when the underlying equity prices are falling.

Fund characteristics

The Fund's performance should be assessed against its target benchmarks, being (1) to exceed the FTSE All Share (Gross Total Return) index; and (2) to provide 5% income per year, and compared against the Investment Association UK Equity Income 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 benchmarks have been selected either because they are 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, or because the target return of the Fund is to deliver or exceed the return of that benchmark as stated in the investment objective. The comparator benchmark has been selected because the Manager and the Investment Manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Alternative Investment Fund Managers Directive

The Alternative Investment Fund Managers Directive, as implemented in the UK by the Alternative Investment Fund Managers Regulations 2013, establishes an EU wide harmonised framework for monitoring and supervising risks posed by Alternative Investment Fund Managers and the alternative investment Funds they manage.

The Fund is an Alternative Investment Fund and Schroder Unit Trusts Limited (the Manager) was authorised by the Financial Conduct Authority to act as an Alternative Investment Fund Manager on 2 July 2014.

The Alternative Investment Fund Managers Directive requires certain information to be disclosed to unitholders. It is intended that any such information will in future be provided in the report and accounts, unless such information is required to be disclosed without delay, in which case it will be made via the Schroders website at:

www.schroders.com/en/uk/private-investor/Fund-centre/changes-to-Funds/

Review of Investment Activities

From 28 February 2023 to 29 February 2024, the price of Z Accumulation units on a dealing price basis increased by 4.23%. In the same period, the FTSE¹ All Share Index generated a total return of 0.57%². The Fund's performance should also be assessed against the income target of 5% per year.

The Fund outperformed over the period. It continued to deliver on its targeted 5% income yield, distributing 5.0% over the past twelve months (source Morningstar). The forward looking 12-month dividend yield from Bloomberg shows the Fund yielding 4.9% (excluding any additional income from selective call overwriting), compared with 4.3% from the FTSE All-Share index (a 113% premium).

The Fund's natural bias towards mid-cap companies was a negative during the period, with larger capitalisation companies in the FTSE 100 Index continuing to outperform. However, an increase in the value of sterling against both the US dollar and euro helped domestically oriented stocks outperform, while high quality companies with a proven track record of value creation performed well, driven by lower-than-expected inflation and the hope that interest rates would soon start to fall.

Outperformance was driven by a combination of sector allocation and stock selection. At the sector level, the fund benefited from being overweight in consumer discretionary and technology while being underweight consumer staples. At the stock level, key positives were the overweight holdings in 3i Group, RELX, and Hollywood Bowl Group, partially offset by disappointing performance from holdings in Close Brothers Group and OSB Group as well as not owning Rolls-Royce Holdings.

Over the period new positions were started in B&M European Value Retail, Clarkson, Hargreaves Lansdown, Me Group International, Shell, TBC Bank Group, Telecom Plus and Unilever. This was funded by selling holdings in Diageo, Eurocell, Headlam Group, Hilton Food Group, Polar Capital Holdings, Redrow, RS Group, Strix Group, Tyman, Secure Trust Bank, TotalEnergies and XP Power.

Despite a recent tempering of expectations of interest rate cuts, the outlook remains positive for UK equities given the large discount to other equity markets. Indeed, a recent survey from PwC revealed that many UK CEOs are looking to use current low valuations to make larger scale M&A activity. We have already seen some evidence of this over the past few weeks, with an agreed merger by FTSE 100 constituent Barratt Developments for its smaller peer Redrow and initial soundings for FTSE 100 paper and packaging companies Mondi and DS Smith to merge.

Despite the dividend cover forecast to remain above 2x, the UK is expected to deliver subdued underlying dividend growth in 2024, driven by lower dividend payments from the mining sector. Although the forecasted 4.3% dividend yield is currently below cash, interest rates are forecast to fall and equity yields remain attractive relative to 10-year Gilt yields when combined with high levels of ongoing share buybacks. (Source Computershare UK Dividend Monitor).

We continue to believe that the best long-term strategy is to invest in a portfolio of high-quality companies which are capable of growing profitably, whatever the stage of the economic cycle.

**Co-Fund Manager:
Duncan Green**



Joined Schroders in October 2020 from Santander Asset Management

Co-manager of Santander Enhanced Income and Santander Equity Income funds since 2017

Previously a senior investment risk manager at Ignis Asset Management and Standard Life Investments

**Co-Fund Manager:
Graham Ashby**



Joined Schroders in October 2020 from Santander Asset Management

Lead manager of Santander UK Growth

Co-manager of Santander Enhanced Income and Santander Equity Income funds

Fund manager in UK equity market for 31 years for Ignis Asset Management, LV= Asset Management, Credit Suisse Asset Management, Sarasin Chiswell and Deutsche / Morgan Grenfell Asset Management

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² Source: Refinitiv Eikon Datastream.

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

Risk Profile

Risk and reward indicator



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

For specific risks, including the risk and reward profile, please refer to the Key Investor Information Document available on the following website www.schroders.com.

Statement of the Manager's Responsibilities

The Collective Investment Schemes sourcebook published by the FCA, ("the COLL Rules") require the Manager to prepare financial statements for each annual 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 losses 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.

P. Truscott
Directors
26 June 2024

J. Rainbow

Report of the Trustee

Statement of the Trustee's responsibilities in respect of the Scheme and report of the Trustee to the unitholders of the Schroder UK Multi-Cap Income Fund ('the Fund') for the year ended 29 February 2024.

The Trustee of Schroder UK Multi-Cap Income Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, and the Investment Funds 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 Alternative Investment Fund Manager ('the Manager') 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 consider 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
20 March 2024

Independent Auditor's Report to the Unitholders of Schroder UK Multi-Cap Income Fund

Opinion

We have audited the financial statements of Schroder UK Multi-Cap Income Fund (the 'Fund') for the year ended 29 February 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 19.

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 29 February 2024 and of the net revenue and the net capital losses on the property of the Fund for the year 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;
- 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 UK Multi-Cap Income Fund (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.

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

26 June 2024

Comparative Table

A Accumulation units

A Income units

Financial year to 29 February	2024 pence per unit	2023 pence per unit	2022 pence per unit	2024 pence per unit	2023 pence per unit	2022 pence per unit
Change in net asset value						
Opening net asset value	129.17	133.69	126.94	95.95	104.75	102.21
Return before operating charges*	6.51	(2.71)	8.59	4.75	(2.41)	6.95
Operating charges	(1.84)	(1.81)	(1.84)	(1.33)	(1.41)	(1.48)
Return after operating charges*	4.67	(4.52)	6.75	3.42	(3.82)	5.47
Distributions**	(10.42)	(6.43)	(3.64)	(15.99)	(4.98)	(2.93)
Retained distributions**	10.42	6.43	3.64	-	-	-
Closing net asset value	133.84	129.17	133.69	83.38	95.95	104.75
*after direct transaction costs of	(0.12)	(0.14)	(0.17)	(0.09)	(0.11)	(0.13)
Performance						
Return after charges (%)	3.62	(3.38)	5.32	3.56	(3.65)	5.35
Other information						
Closing net asset value (£000's)	169	532	581	19	66	105
Closing number of units	126,360	411,734	434,451	22,881	68,625	100,703
Operating charges (%)	1.45	1.45	1.44	1.45	1.45	1.44
Direct transaction costs (%)	0.10	0.11	0.12	0.10	0.11	0.12
Prices						
Highest dealing price	135.40p	138.50p	144.10p	96.83p	108.50p	116.00p
Lowest dealing price	120.90p	107.10p	126.50p	82.14p	80.83p	101.90p

Comparative Table (continued)

Financial year to 29 February	L Accumulation units ¹			L Income units ¹		
	2024 pence per unit	2023 pence per unit	2022 pence per unit	2024 pence per unit	2023 pence per unit	2022 pence per unit
Change in net asset value						
Opening net asset value	46.19	47.50	50.00	43.31	46.89	50.00
Return before operating charges*	2.23	(0.97)	(2.33)	2.04	(1.08)	(2.33)
Operating charges	(0.30)	(0.34)	(0.17)	(0.28)	(0.31)	(0.17)
Return after operating charges*	1.93	(1.31)	(2.50)	1.76	(1.39)	(2.50)
Distributions**	(2.32)	(2.24)	(0.61)	(2.13)	(2.19)	(0.61)
Retained distributions**	2.32	2.24	0.61	-	-	-
Closing net asset value	48.12	46.19	47.50	42.94	43.31	46.89
*after direct transaction costs of	(0.04)	(0.05)	(0.06)	(0.04)	(0.05)	(0.06)
Performance						
Return after charges (%)	4.18	(2.76)	(5.00)	4.06	(2.96)	(5.00)
Other information						
Closing net asset value (£000's)	1	1	1	1	1	1
Closing number of units	2,000	2,000	2,000	2,000	2,000	2,000
Operating charges (%)	0.66	0.66	0.65	0.66	0.66	0.65
Direct transaction costs (%)	0.10	0.11	0.12	0.10	0.11	0.12
Prices						
Highest dealing price	48.67p	49.25p	51.06p	44.11p	48.61p	51.06p
Lowest dealing price	43.23p	38.22p	46.20p	39.59p	36.36p	46.20p

Comparative Table (continued)

Financial year to 29 February	Q1 Accumulation units ¹			Q1 Income units ¹		
	2024 pence per unit	2023 pence per unit	2022 pence per unit	2024 pence per unit	2023 pence per unit	2022 pence per unit
Change in net asset value						
Opening net asset value	46.42	47.58	50.00	43.51	46.97	50.00
Return before operating charges*	2.33	(0.97)	(2.34)	2.04	(1.07)	(2.34)
Operating charges	(0.18)	(0.19)	(0.08)	(0.16)	(0.19)	(0.08)
Return after operating charges*	2.15	(1.16)	(2.42)	1.88	(1.26)	(2.42)
Distributions**	(2.34)	(2.25)	(0.61)	(2.15)	(2.20)	(0.61)
Retained distributions**	2.34	2.25	0.61	-	-	-
Closing net asset value	48.57	46.42	47.58	43.24	43.51	46.97
*after direct transaction costs of	(0.04)	(0.05)	(0.06)	(0.04)	(0.05)	(0.06)
Performance						
Return after charges (%)	4.63	(2.44)	(4.84)	4.32	(2.68)	(4.84)
Other information						
Closing net asset value (£000's)	1	1	1	1	1	1
Closing number of units	2,000	2,000	2,000	2,000	2,000	2,000
Operating charges (%)	0.38	0.39	0.38	0.38	0.39	0.38
Direct transaction costs (%)	0.10	0.11	0.12	0.10	0.11	0.12
Prices						
Highest dealing price	49.08p	49.36p	51.12p	44.39p	48.71p	51.12p
Lowest dealing price	43.46p	38.36p	46.28p	39.82p	36.50p	46.28p

Comparative Table (continued)

Financial year to 29 February	S Accumulation units			S 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
Change in net asset value						
Opening net asset value	134.34	137.81	129.82	50.94	55.12	53.54
Return before operating charges*	6.65	(2.75)	8.75	2.42	(1.27)	3.64
Operating charges	(0.74)	(0.72)	(0.76)	(0.28)	(0.28)	(0.31)
Return after operating charges*	5.91	(3.47)	7.99	2.14	(1.55)	3.33
Distributions**	(7.01)	(6.65)	(4.26)	(2.61)	(2.63)	(1.75)
Retained distributions**	7.01	6.65	4.26	-	-	-
Closing net asset value	140.25	134.34	137.81	50.47	50.94	55.12
*after direct transaction costs of	(0.13)	(0.14)	(0.17)	(0.05)	(0.06)	(0.07)
Performance						
Return after charges (%)	4.40	(2.52)	6.15	4.20	(2.81)	6.22
Other information						
Closing net asset value (£000's)	240	391	399	1,437	2,012	2,311
Closing number of units	171,254	290,810	289,411	2,846,257	3,949,100	4,193,646
Operating charges (%)	0.56	0.56	0.55	0.56	0.56	0.55
Direct transaction costs (%)	0.10	0.11	0.12	0.10	0.11	0.12
Prices						
Highest dealing price	141.80p	142.90p	148.10p	51.85p	57.15p	60.91p
Lowest dealing price	125.80p	111.00p	129.40p	46.53p	42.77p	53.36p

Comparative Table (continued)

Financial year to 29 February	X Accumulation units ¹			X Income units ¹		
	2024 pence per unit	2023 pence per unit	2022 pence per unit	2024 pence per unit	2023 pence per unit	2022 pence per unit
Change in net asset value						
Opening net asset value	46.71	47.67	50.00	43.83	47.06	50.00
Return before operating charges*	2.33	(0.95)	(2.33)	2.06	(0.99)	(2.32)
Operating charges	(0.01)	(0.01)	-	(0.01)	(0.01)	-
Return after operating charges*	2.32	(0.96)	(2.33)	2.05	(1.00)	(2.32)
Distributions**	(2.37)	(2.30)	(0.63)	(0.38)	(2.23)	(0.62)
Retained distributions**	2.37	2.30	0.63	-	-	-
Closing net asset value	49.03	46.71	47.67	45.50	43.83	47.06
*after direct transaction costs of	(0.04)	(0.05)	(0.06)	(0.04)	(0.05)	(0.06)
Performance						
Return after charges (%)	4.97	(2.01)	(4.66)	4.68	(2.12)	(4.64)
Other information						
Closing net asset value (£000's)	25,956	57,447	207,323	1	3,212	15,257
Closing number of units	52,942,875	122,974,687	434,922,744	2,000	7,329,808	32,417,858
Operating charges (%)	0.03	0.03	0.02	0.03	0.03	0.02
Direct transaction costs (%)	0.10	0.11	0.12	0.10	0.11	0.12
Prices						
Highest dealing price	49.53p	49.46p	51.18p	46.00p	48.73p	50.64p
Lowest dealing price	43.75p	38.53p	46.36p	41.00p	36.65p	45.83p

Comparative Table (continued)

Financial year to 29 February	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
Change in net asset value						
Opening net asset value	136.81	140.63	132.74	96.55	104.67	101.77
Return before operating charges*	6.77	(2.82)	8.96	4.57	(2.40)	6.92
Operating charges	(1.03)	(1.00)	(1.07)	(0.71)	(0.73)	(0.82)
Return after operating charges*	5.74	(3.82)	7.89	3.86	(3.13)	6.10
Distributions**	(7.32)	(6.78)	(4.21)	(5.14)	(4.99)	(3.20)
Retained distributions**	7.32	6.78	4.21	-	-	-
Closing net asset value	142.55	136.81	140.63	95.27	96.55	104.67
*after direct transaction costs of	(0.13)	(0.15)	(0.18)	(0.09)	(0.11)	(0.13)
Performance						
Return after charges (%)	4.20	(2.72)	5.94	4.00	(2.99)	5.99
Other information						
Closing net asset value (£000's)	4,194	4,115	5,383	476	511	534
Closing number of units	2,941,753	3,008,045	3,827,548	500,110	529,799	510,281
Operating charges (%)	0.76	0.76	0.75	0.76	0.76	0.75
Direct transaction costs (%)	0.10	0.11	0.12	0.10	0.11	0.12
Prices						
Highest dealing price	144.20p	145.80p	151.10p	97.97p	108.50p	115.70p
Lowest dealing price	128.10p	113.20p	132.30p	87.95p	81.11p	101.40p

** 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 L Accumulation, L Income, Q1 Accumulation, Q1 Income, X Accumulation and X Income classes launched on 14 September 2021.

The Operating charges are represented by the Ongoing Charges Figure (OCF) which is the European standard method of disclosing the charges of a unit class of a Fund based on the financial year's expenses and may vary from year to year. It includes charges such as the Fund's Annual Management Charge, Registrar fees, Safe custody fees, Trustee's fees and Audit fee but ordinarily excludes the costs of buying or selling assets for the Fund (unless these assets are units of another Fund). Where published, the Key Investor Information Document (KIID) contains the current OCF. For a more detailed breakdown please visit www.schroders.com.

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

Portfolio Statement

	Holding at 29.2.24	Market Value £000's	% of net assets
Equities 97.30% (98.06%)			
France 0.00% (3.41%)			
Guernsey 1.80% (1.44%)			
Sirius Real Estate REIT	676,788	585	1.80
		585	1.80
Isle of Man 0.00% (0.52%)			
Luxembourg 0.93% (0.00%)			
B&M European Value Retail	57,658	303	0.93
		303	0.93
Norway 4.96% (5.49%)			
Aker BP	34,611	665	2.05
DNB Bank	59,795	947	2.91
		1,612	4.96
Singapore 0.00% (0.71%)			
Switzerland 1.62% (2.38%)			
Roche Holding	2,533	528	1.62
		528	1.62
United Kingdom 87.00% (82.84%)			
3i Group	54,870	1,354	4.17
4imprint Group	10,355	590	1.82
Admiral Group	7,273	194	0.60
Anglo American	23,944	407	1.25
Ashtead Group	13,556	770	2.37
Associated British Foods	21,288	484	1.49
Berkeley Group Holdings	11,667	542	1.67
Bioentix*	10,705	514	1.58
Bloomsbury Publishing	83,558	455	1.40
Bunzl	10,081	318	0.98
Clarkson	4,657	167	0.51
Close Brothers Group	51,411	178	0.55
Cranswick	14,149	544	1.67
Diversified Energy	17,340	162	0.50
Domino's Pizza Group	78,354	264	0.81
Drax Group	73,753	344	1.06
Dunelm Group	73,310	842	2.59
FDM Group Holdings	43,378	173	0.53
Games Workshop Group	10,161	955	2.94
Gamma Communications*	27,509	339	1.04
GSK	90,107	1,500	4.62
Hargreaves Lansdown	39,569	288	0.89
Hollywood Bowl Group	225,392	735	2.26
Howden Joinery Group	53,419	442	1.36
HSBC Holdings	278,358	1,711	5.26
IMI	19,612	340	1.05
Kainos Group	16,541	182	0.56

	Holding at 29.2.24	Market Value £000's	% of net assets
Legal & General Group	467,061	1,130	3.48
LondonMetric Property REIT	85,405	154	0.47
ME Group International	192,350	308	0.95
National Grid	58,484	607	1.87
Next	9,476	788	2.42
OSB Group	193,602	805	2.48
QinetiQ Group	147,248	546	1.68
RELX	44,485	1,539	4.74
Rightmove	82,866	470	1.45
Rio Tinto	22,213	1,128	3.47
Severfield	374,567	187	0.57
Shell	47,132	1,158	3.56
Softcat	70,771	1,039	3.20
SSE	37,088	603	1.86
SThree	79,063	330	1.02
TBC Bank Group	5,730	169	0.52
Telecom Plus	18,353	268	0.82
Tritax Big Box REIT	216,084	317	0.97
Unilever	35,607	1,377	4.24
United Utilities Group	21,837	224	0.69
Vertu Motors*	500,106	329	1.01
		28,270	87.00
United States of America 0.99% (1.27%)			
Somero Enterprises*	94,431	321	0.99
		321	0.99
Equities total		31,619	97.30
Collective Investment Schemes 0.86% (0.74%)			
Infrastructure and Renewable Energy Funds 0.86% (0.74%)			
Greencoat UK Wind ^s	203,729	278	0.86
		278	0.86
Collective Investment Schemes total		278	0.86
Options (0.09)% ((0.10)%)			
Written Options (0.09)% ((0.10)%)			
3i Group Call 26.292 22/04/2024	(13,717)	(2)	(0.01)
Admiral Group Call 28.854 18/03/2024	(3,636)	0	0.00
Admiral Group Call 27.308 22/04/2024	(2,909)	(2)	(0.01)
Anglo American Call 23.386 18/03/2024	(12,944)	0	0.00
Anglo American Call 20.205 22/04/2024	(8,380)	(1)	0.00
Ashtead Group Call 55.987 18/03/2024	(3,389)	(8)	(0.02)
Ashtead Group Call 61.564 22/04/2024	(3,389)	(3)	(0.01)
Associated British Foods Call 25.024 18/03/2024	(8,166)	0	0.00
Bunzl Call 33.569 18/03/2024	(4,960)	0	0.00

Portfolio Statement (continued)

	Holding at 29.2.24	Market Value £000's	% of net assets		Holding at 29.2.24	Market Value £000's	% of net assets
Bunzl Call 35.639 22/04/2024	(4,032)	0	0.00	RELX Call 34.15 18/03/2024	(12,023)	(10)	(0.03)
HSBC Holdings Call 6.402 18/03/2024	(51,842)	0	0.00	RELX Call 36.824 22/04/2024	(8,897)	(2)	(0.01)
Next Call 90.708 18/03/2024	(2,613)	0	0.00	Written Options total		(29)	(0.09)
Next Call 91.457 22/04/2024	(2,369)	(1)	0.00	Options total		(29)	(0.09)
				Portfolio of investments		31,868	98.07
				Net other assets		628	1.93
				Net assets attributable to unitholders		32,496	100.00

The comparative percentage figures in brackets are as at 28 February 2023.

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

Security traded on another regulated market.

§ Closed ended Fund.

Statement of Total Return

For the year ended 29 February 2024

	Notes	2024		2023	
		£000's	£000's	£000's	£000's
Income					
Net capital losses	2		(1,792)		(26,849)
Revenue	3	2,314		8,959	
Expenses	4	(57)		(89)	
Net revenue before taxation		2,257		8,870	
Taxation	5	(97)		(472)	
Net revenue after taxation			2,160		8,398
Total return before distributions			368		(18,451)
Distributions	6		(2,170)		(8,389)
Change in net assets attributable to unitholders from investment activities			(1,802)		(26,840)

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 29 February 2024

	2024		2023	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		68,290		231,897
Amounts receivable on issue of units	469		549	
Amounts payable on cancellation of units	(36,040)		(144,433)	
		(35,571)		(143,884)
Dilution adjustment		72		333
Change in net assets attributable to unitholders from investment activities		(1,802)		(26,840)
Retained distribution on Accumulation units		1,507		6,784
Closing net assets attributable to unitholders		32,496		68,290

Balance Sheet

As at 29 February 2024

	Notes	2024		2023	
		£000's	£000's	£000's	£000's
Assets					
Investments			31,897		67,468
Current assets					
Debtors	8		200		243
Cash and bank balances			481		1,234
Total assets			32,578		68,945
Liabilities					
Investment liabilities			(29)		(65)
Creditors					
Distributions payable			(33)		(55)
Other creditors	9		(20)		(535)
Total liabilities			(82)		(655)
Net assets attributable to unitholders			32,496		68,290

Notes to the Accounts

For the year ended 29 February 2024

1 Accounting policies

Basis of preparation

The accounts have been produced as at 29th February 2024, being the final day of February for 2024. 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 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.

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.

Option premium received by the Fund is amortised to revenue over the period to maturity where the option is out of the money at the time the contract is written. Option premium is taken to capital for options that are in the money at the time of writing.

Rebates received from investment managers are received to the Fund on an accruals basis.

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.

Expenses

Expenses of the Fund are initially 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.

For the purpose of calculating the distribution, the Fund allocates certain expenses to capital, thereby increasing the amount available for 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

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. Non-exchange traded derivatives, including swaps and contracts for difference, are priced at fair value using valuation models and data sourced from market data providers and/or information provided by the relevant third party brokers.

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

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 29 February 2024 (continued)

2 Net capital losses

The net capital losses during the year comprise:

	2024	2023
	£000's	£000's
Non-derivative securities	(1,671)	(26,473)
Derivative contracts	(120)	(364)
Forward foreign currency contracts	2	27
Foreign currency losses	(3)	(39)
Net capital losses	(1,792)	(26,849)

	2024	2023
	£000's	£000's
Realised losses	(7,518)	(33,932)
Unrealised gains	5,726	7,083
Total losses	(1,792)	(26,849)

Included in realised losses for the year were unrealised gains/(losses) recognised in previous years.

3 Revenue

	2024	2023
	£000's	£000's
UK dividends	1,727	6,954
Overseas dividends	355	1,519
Franked distributions	24	(13)
Real estate income distributions	36	226
Scrip dividends	37	94
Bank interest	21	17
Net revenue return from derivative contracts	114	162
Total revenue	2,314	8,959

4 Expenses

	2024	2023
	£000's	£000's
Payable to the Manager, associates of the Manager and agents of either of them:		
Schroders Annual Charge ¹	56	88
Other expenses:		
Interest payable	1	1
Total expenses	57	89

1 Audit fees including VAT for the year were £8,593 (2023 – £15,162).

Notes to the Accounts

For the year ended 29 February 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
Overseas withholding tax	97	472
Total current tax (Note 5(b))	97	472

(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
Net revenue before taxation	2,257	8,870
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	451	1,774
Effects of:		
Revenue not subject to corporation tax	(428)	(1,711)
Movement in excess management expenses	(23)	(63)
Overseas withholding tax	97	472
Total tax charge for the year (Note 5(a))	97	472

(c) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £936,845 (2023 – £959,571) in respect of £4,684,223 (2023 - £4,797,857) 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.

Notes to the Accounts

For the year ended 29 February 2024 (continued)

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
Monthly Dividend distribution	21	103
Monthly Dividend distribution	-	81
Monthly Dividend distribution	-	52
Monthly Dividend distribution	-	53
Monthly Dividend distribution	-	24
Interim Dividend distribution	1,117	5,969
Monthly Dividend distribution	-	8
Monthly Dividend distribution	-	7
Monthly Dividend distribution	-	11
Monthly Dividend distribution	-	10
Monthly Dividend distribution	-	6
Final Dividend distribution	507	1,015
	1,645	7,339
Add: Revenue deducted on cancellation of units	530	1,056
Deduct: Revenue received on issue of units	(5)	(6)
Distributions	2,170	8,389
Net revenue after taxation	2,160	8,398
Scrip dividends not distributed	(37)	(94)
Expenses taken to capital	56	88
Marginal tax relief	(6)	(3)
Equalisation on conversions	(3)	-
Distributions	2,170	8,389

Details of the distributions per unit are set out in the Distribution Tables on pages 27 to 31.

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	31,897	-	67,468	-
Level 2: Observable market data	-	(29)	-	(65)
Level 3: Unobservable data	-	-	-	-
Total	31,897	(29)	67,468	(65)

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.

Notes to the Accounts

For the year ended 29 February 2024 (continued)

8 Debtors

	2024	2023
	£000's	£000's
Amounts receivable for issue of units	37	19
Sales awaiting settlement	-	53
Accrued revenue	74	68
Overseas withholding tax recoverable	89	90
Corporation tax recoverable	-	10
Income tax recoverable	-	3
Total debtors	200	243

9 Other creditors

	2024	2023
	£000's	£000's
Amounts payable for cancellation of units	12	-
Purchases awaiting settlement	-	529
Accrued expenses	8	6
Total other creditors	20	535

10 Contingent liabilities

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

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 as a percentage of the Fund's net asset value at the balance sheet date were 0.02% (2023 – 0.01%).

12 Unit classes

At the reporting date the Fund had twelve 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 15.

The distributions per unit class are given in the Distribution Tables on pages 27 to 31.

All classes have the same rights on winding up.

Notes to the Accounts

For the year ended 29 February 2024 (continued)

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 £3,186,800 (2023 - £6,740,300).

Derivative risk

Where a Fund trades in derivatives to achieve its investment objective, this involves a higher degree of risk and may lead to a higher volatility in the unit prices of the Fund. The Manager employs a risk management process to allow the Manager to measure derivative and forward positions and their contribution to the overall risk profile of the Fund. As part of this risk management process the Manager conducts daily value at risk analysis of the Fund and performs both stress and back testing of the Fund.

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	2024 £000's	2023 £000's
Euro	-	2,383
Norwegian krone	1,612	3,810
Sterling	30,344	60,456
Swiss franc	528	1,640
US dollar	12	1

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 £215,200 (2023 - £783,400).

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 positions will be affected by fluctuations in interest rates.

At the year end date 1.48% (2023 - 1.81%) 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 and bank overdrafts bear interest at rates based on the Sterling Overnight Index Average Rate. Foreign currency bank balances 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.

Notes to the Accounts

For the year ended 29 February 2024 (continued)

Global risk exposure

Leverage

Information on the limit usage and level of leverage

The Fund uses a risk management process that allows the Manager to monitor the risks to ensure they are being managed in line with their investment policy and risk profile.

Leverage ratios are important risk metrics to represent the current risk profile of the Fund and are monitored on a daily basis. Leverage is a way for the Fund to increase its exposure through the use of financial derivative instruments and/or borrowing of cash or securities where applicable. It is expressed as a ratio between the exposure of the Fund and its Net Asset Value. The leverage ratio is calculated in accordance with two methodologies for calculating the exposure of the Fund, the Gross method and the Commitment method.

In accordance with Alternative Investment Fund Managers rules, the leverage details as at the balance sheet date where as follows:

Leverage

As at 29 February	2024			2023		
	Commitment ratio limit	Commitment ratio level	Commitment utilised	Commitment ratio limit	Commitment ratio level	Commitment utilised
	1.20	1.00	83.64%	1.20	1.02	84.91%

As at 29 February	2024			2023		
	Gross ratio limit	Gross ratio level	Gross utilised	Gross ratio limit	Gross ratio level	Gross utilised
	1.20	0.99	82.39%	1.20	0.99	82.74%

14 Direct transaction costs

2024	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	6,650	3	30	6,683	0.04	0.45
Sales						
Equities	40,635	(15)	-	40,620	(0.04)	-
Total cost as a percentage of the Fund's average net asset value (%)		0.05	0.08			

2023	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	32,244	14	130	32,388	0.04	0.40
Sales						
Equities	169,961	(60)	(1)	169,900	(0.04)	-
Total cost as a percentage of the Fund's average net asset value (%)		0.05	0.09			

Notes to the Accounts

For the year ended 29 February 2024 (continued)

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.49% (2023 – 0.23%).

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.

15 Units in issue reconciliation

	Number of units in issue 28.2.23	Number of units issued	Number of units cancelled	Number of units converted	Number of units in issue 29.2.24
A Accumulation units	411,734	2,379	(21,664)	(266,089)	126,360
A Income units	68,625	-	(87)	(45,657)	22,881
L Accumulation units	2,000	-	-	-	2,000
L Income units	2,000	-	-	-	2,000
Q1 Accumulation units	2,000	-	-	-	2,000
Q1 Income units	2,000	-	-	-	2,000
S Accumulation units	290,810	-	(119,556)	-	171,254
S Income units	3,949,100	-	(1,102,843)	-	2,846,257
X Accumulation units	122,974,687	-	(70,031,812)	-	52,942,875
X Income units	7,329,808	-	(7,327,808)	-	2,000
Z Accumulation units	3,008,045	306,324	(623,209)	250,593	2,941,753
Z Income units	529,799	58,610	(133,573)	45,274	500,110

16 Counterparty exposure

The types of non-exchange traded derivatives held at the balance sheet date were options 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
Citigroup										
2024	-	-	-	-	-	-	-	(1)	-	(1)
2023	-	-	-	-	-	-	-	(13)	-	(13)
J.P. Morgan										
2024	-	-	-	-	-	-	-	(12)	-	(12)
2023	-	-	-	-	-	-	-	(18)	-	(18)
Merrill Lynch										
2024	-	-	-	-	-	-	-	-	-	-
2023	-	-	-	-	-	-	-	(5)	-	(5)
Morgan Stanley										
2024	-	-	-	-	-	-	-	(14)	-	(14)
2023	-	-	-	-	-	-	-	(13)	-	(13)
UBS										
2024	-	-	-	-	-	-	-	(2)	-	(2)
2023	-	-	-	-	-	-	-	(16)	-	(16)

At the balance sheet date no collateral was held or pledged by the Fund or on behalf of the counterparties in respect of the above (2023: Nil).

Distribution Tables

Distribution for the month ended 31 March 2023

Group 1 Units purchased prior to 1 March 2023

Group 2 Units purchased on or after 1 March 2023

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution paid 31.5.23 per unit	Distribution paid 31.5.22 per unit
X Income units				
Group 1	0.3753p	-	0.3753p	0.3933p
Group 2	0.3753p	-	0.3753p	0.3933p

Distribution for the month ended 30 April 2023

Group 1 Units purchased prior to 1 April 2023

Group 2 Units purchased on or after 1 April 2023

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution paid 30.6.23 per unit	Distribution paid 30.6.22 per unit
X Income units				
Group 1	-	-	-	0.3087p
Group 2	-	-	-	0.3087p

Distribution for the month ended 31 May 2023

Group 1 Units purchased prior to 1 May 2023

Group 2 Units purchased on or after 1 May 2023

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution paid 31.7.23 per unit	Distribution paid 31.7.22 per unit
X Income units				
Group 1	-	-	-	0.1980p
Group 2	-	-	-	0.1980p

Distribution for the month ended 30 June 2023

Group 1 Units purchased prior to 1 June 2023

Group 2 Units purchased on or after 1 June 2023

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution paid 31.8.23 per unit	Distribution paid 31.8.22 per unit
X Income units				
Group 1	-	-	-	0.2035p
Group 2	-	-	-	0.2035p

Distribution Tables

(continued)

Distribution for the month ended 31 July 2023

Group 1 Units purchased prior to 1 July 2023

Group 2 Units purchased on or after 1 July 2023

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution paid 30.9.23 per unit	Distribution paid 30.9.22 per unit
X Income units				
Group 1	-	-	-	0.0917p
Group 2	-	-	-	0.0917p

Distribution for the month ended 31 August 2023

Group 1 Units purchased prior to 1 August 2023

Group 2 Units purchased on or after 1 August 2023

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution paid 31.10.23 per unit	Distribution paid 31.10.22 per unit
X Income units				
Group 1	-	-	-	0.3458p
Group 2	-	-	-	0.3458p

Distribution for the month ended 30 September 2023

Group 1 Units purchased prior to 1 September 2023

Group 2 Units purchased on or after 1 September 2023

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution paid 30.11.23 per unit	Distribution paid 30.11.22 per unit
X Income units				
Group 1	-	-	-	0.1098p
Group 2	-	-	-	0.1098p

Distribution for the month ended 31 October 2023

Group 1 Units purchased prior to 1 October 2023

Group 2 Units purchased on or after 1 October 2023

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution paid 31.12.23 per unit	Distribution paid 31.12.22 per unit
X Income units				
Group 1	-	-	-	0.0920p
Group 2	-	-	-	0.0920p

Distribution Tables

(continued)

Distribution for the month ended 30 November 2023

Group 1 Units purchased prior to 1 November 2023

Group 2 Units purchased on or after 1 November 2023

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution paid 31.1.24 per unit	Distribution paid 31.1.23 per unit
X Income units				
Group 1	-	-	-	0.1536p
Group 2	-	-	-	0.1536p

Distribution for the month ended 31 December 2023

Group 1 Units purchased prior to 1 December 2023

Group 2 Units purchased on or after 1 December 2023

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution paid 29.2.24 per unit	Distribution paid 28.2.23 per unit
X Income units				
Group 1	-	-	-	0.1409p
Group 2	-	-	-	0.1409p

Distribution for the month ended 31 January 2024

Group 1 Units purchased prior to 1 January 2024

Group 2 Units purchased on or after 1 January 2024

	Net revenue 2024 per unit	Equalisation 2024 per unit	Distribution payable 31.3.24 per unit	Distribution paid 31.3.23 per unit
X Income units				
Group 1	-	-	-	0.0746p
Group 2	-	-	-	0.0746p

Distribution for the month ended 29 February 2024

Group 1 Units purchased prior to 1 February 2024

Group 2 Units purchased on or after 1 February 2024

	Net revenue 2024 per unit	Equalisation 2024 per unit	Distribution payable 30.4.24 per unit	Distribution paid 30.4.23 per unit
X Income units				
Group 1	-	-	-	0.1146p
Group 2	-	-	-	0.1146p

Distribution Tables

(continued)

Interim distribution for the six months ended 31 August 2023

Group 1 Units purchased prior to 1 March 2023

Group 2 Units purchased on or after 1 March 2023

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution paid 31.10.23 per unit	Distribution paid 31.10.22 per unit
A Accumulation units				
Group 1	6.2689p	-	6.2689p	4.4209p
Group 2	0.7987p	5.4702p	6.2689p	4.4209p
A Income units				
Group 1	8.6272p	-	8.6272p	3.4639p
Group 2	4.5852p	4.0420p	8.6272p	3.4639p
L Accumulation units				
Group 1	1.5710p	-	1.5710p	1.5545p
Group 2	1.5710p	-	1.5710p	1.5545p
L Income units				
Group 1	1.4635p	-	1.4635p	1.5360p
Group 2	1.4635p	-	1.4635p	1.5360p
Q1 Accumulation units				
Group 1	1.5810p	-	1.5810p	1.5570p
Group 2	1.5810p	-	1.5810p	1.5570p
Q1 Income units				
Group 1	1.4695p	-	1.4695p	1.5400p
Group 2	1.4695p	-	1.4695p	1.5400p
S Accumulation units				
Group 1	4.7801p	-	4.7801p	4.5660p
Group 2	4.7801p	-	4.7801p	4.5660p
S Income units				
Group 1	1.8062p	-	1.8062p	1.8257p
Group 2	1.8062p	-	1.8062p	1.8257p
X Accumulation units				
Group 1	1.6233p	-	1.6233p	1.5813p
Group 2	1.6233p	-	1.6233p	1.5813p
Z Accumulation units				
Group 1	4.9580p	-	4.9580p	4.6573p
Group 2	2.1970p	2.7610p	4.9580p	4.6573p
Z Income units				
Group 1	3.5455p	-	3.5455p	3.4654p
Group 2	2.0541p	1.4914p	3.5455p	3.4654p

Distribution Tables

(continued)

Final distribution for the six months ended 29 February 2024

Group 1 Units purchased prior to 1 September 2023

Group 2 Units purchased on or after 1 September 2023

	Net revenue 2024 per unit	Equalisation 2024 per unit	Distribution payable 30.4.24 per unit	Distribution paid 30.4.23 per unit
A Accumulation units				
Group 1	4.1540p	-	4.1540p	2.0069p
Group 2	2.4299p	1.7241p	4.1540p	2.0069p
A Income units				
Group 1	7.3662p	-	7.3662p	1.5193p
Group 2	7.3662p	-	7.3662p	1.5193p
L Accumulation units				
Group 1	0.7500p	-	0.7500p	0.6870p
Group 2	0.7500p	-	0.7500p	0.6870p
L Income units				
Group 1	0.6710p	-	0.6710p	0.6565p
Group 2	0.6710p	-	0.6710p	0.6565p
Q1 Accumulation units				
Group 1	0.7560p	-	0.7560p	0.6890p
Group 2	0.7560p	-	0.7560p	0.6890p
Q1 Income units				
Group 1	0.6765p	-	0.6765p	0.6595p
Group 2	0.6765p	-	0.6765p	0.6595p
S Accumulation units				
Group 1	2.2290p	-	2.2290p	2.0826p
Group 2	2.2290p	-	2.2290p	2.0826p
S Income units				
Group 1	0.8070p	-	0.8070p	0.8039p
Group 2	0.8070p	-	0.8070p	0.8039p
X Accumulation units				
Group 1	0.7474p	-	0.7474p	0.7217p
Group 2	0.7474p	-	0.7474p	0.7217p
Z Accumulation units				
Group 1	2.3590p	-	2.3590p	2.1220p
Group 2	1.4022p	0.9568p	2.3590p	2.1220p
Z Income units				
Group 1	1.5962p	-	1.5962p	1.5243p
Group 2	1.2413p	0.3549p	1.5962p	1.5243p

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

AIFMD 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 - www.schroders.com/ir) which provides more information on the activities of our Remuneration Committee and our remuneration principles and policies.

The AIF Material Risk Takers ('AIF MRTs') of SUTL are individuals whose roles within the Schroders Group can materially affect the risk of SUTL or any AIF fund that it manages. These roles are identified in line with the requirements of the AIFM 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 AIFM Directive are met for all AIF 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 SUTL¹. Employees of other Schroders Group entities who serve as Directors of SUTL receive no additional fees in respect of their role on the Board of SUTL.
- The following disclosures relate to AIF MRTs of SUTL. Most of those AIF 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 AIF MRT. The aggregate total remuneration paid to the 157 AIF MRTs of SUTL in respect of the financial year ended 31 December 2023 is £80.53 million, of which £43.98 million was paid to senior management, £34.12 million was paid to MRTs deemed to be taking risk on behalf of SUTL or the AIF funds that it manages and £2.43 million was paid to Control Function MRTs.

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

1 The fees are not disclosed due to confidentiality and data protection considerations. The amount is not material to SUTL.

General Information

Manager

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

Investment Adviser

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

Trustee

J.P. Morgan Europe Limited
Chaseside
Bournemouth BH7 7DA
Authorised 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 non-UCITS retail scheme for the purpose of the categorisation of the Collective Investment Schemes sourcebook.

Value Assessment

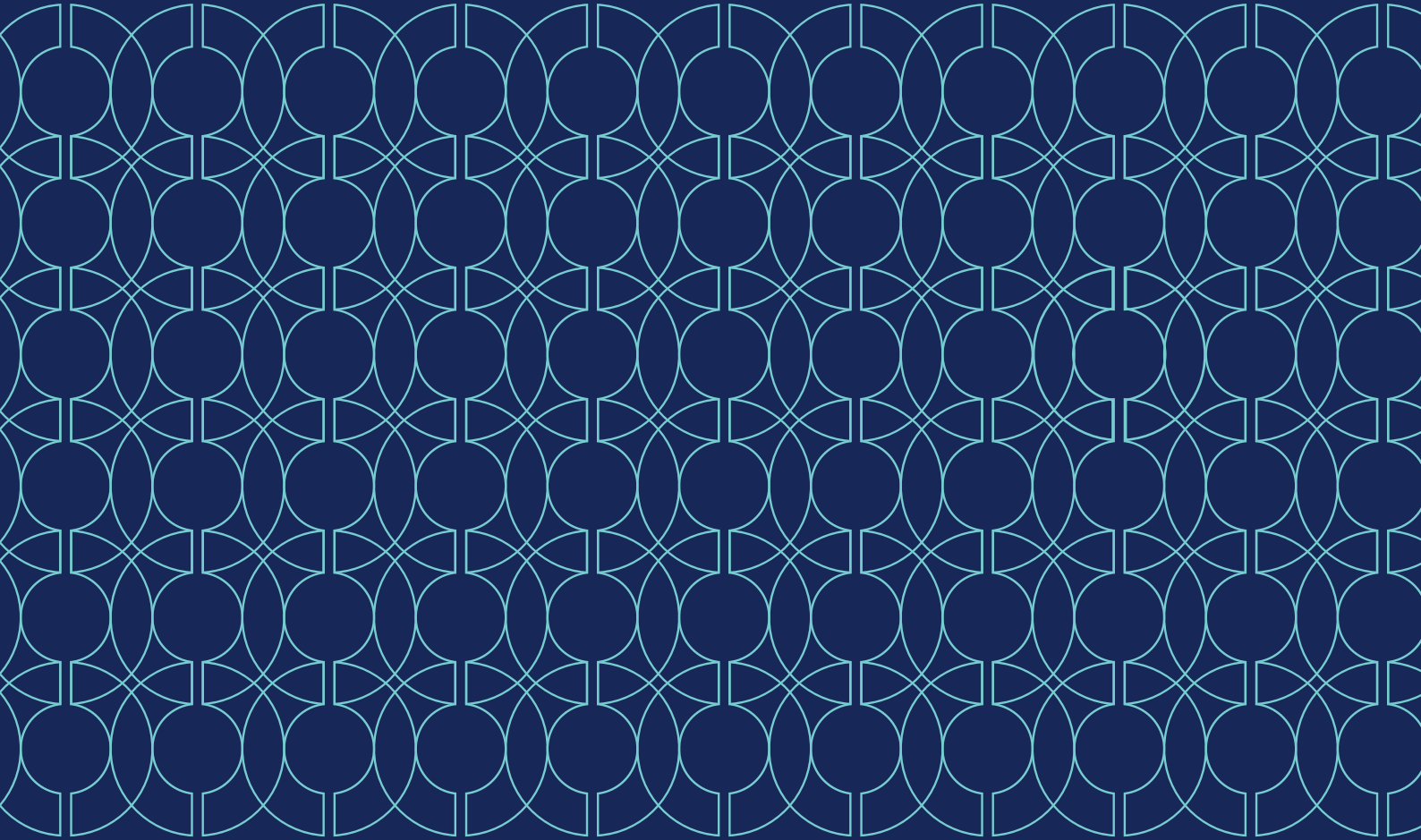
A statement on the Assessment of Value is published on the Global Fund Centre in the Fund Literature section at www.Schroders.com within 4 months of the annual 'reference date' 31 December.

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/.

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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