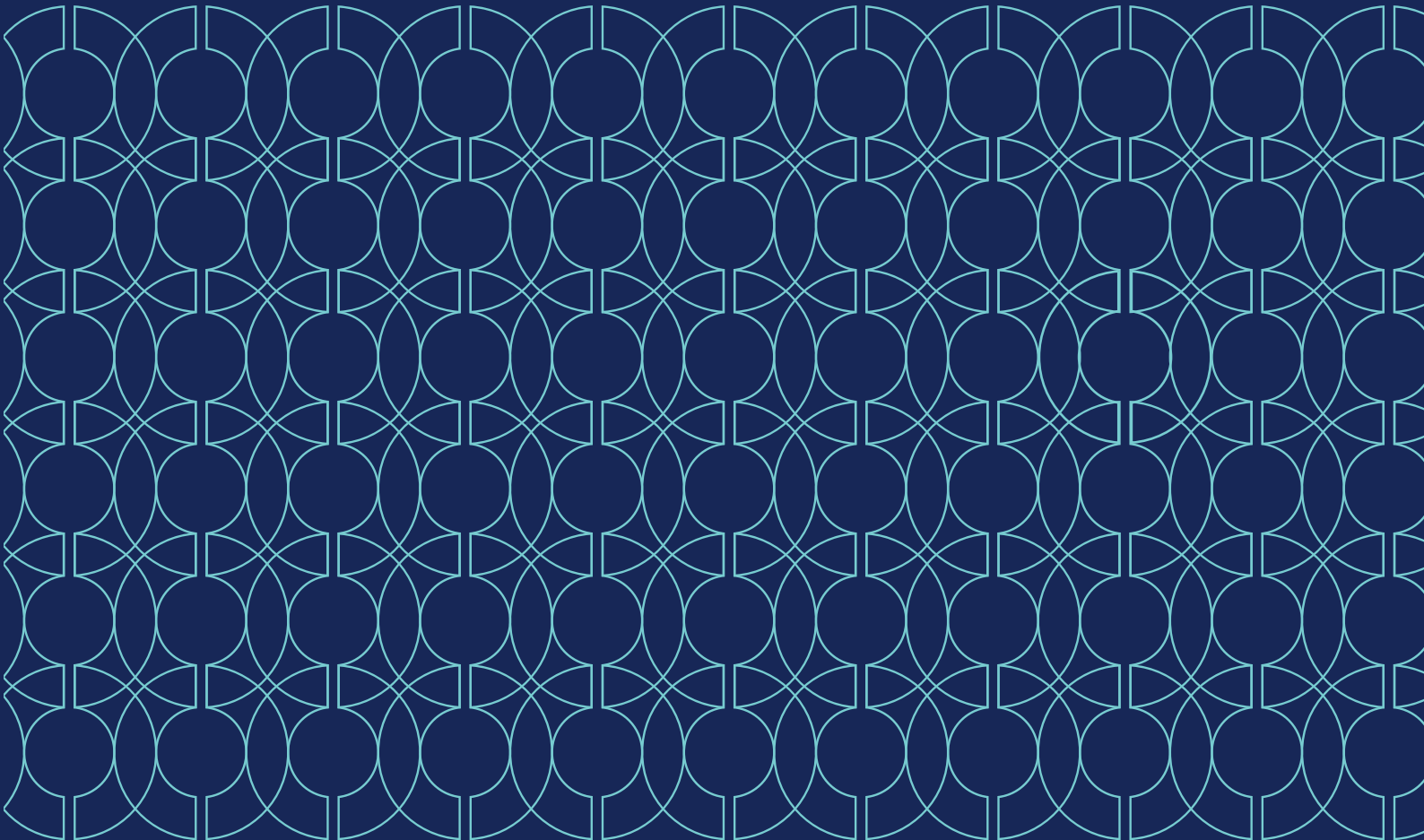


Schroders

Schroder Tokyo Fund
Annual Report and Accounts
28 February 2023



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¹ Collectively these comprise the Manager's report.

Fund Information

Investment objective and policy

Schroder Tokyo Fund (the 'Fund') aims to provide capital growth in excess of the Tokyo Stock Exchange 1st Section (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 Japanese companies.

The Fund is actively managed and invests at least 80% of its assets in equity and equity related securities of Japanese companies.

Investments are made based on Japan's economic strengths, such as its manufacturing industry (in particular on those parts of it that are demonstrating an ability to exploit newly emerging technology) and on sectors benefiting from structural change in the economy.

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 reducing risk or managing the Fund more efficiently (for more information please refer to section 6 of Appendix I of the Prospectus).

Fund characteristics

The Fund's performance should be assessed against its target benchmark, being to exceed the Tokyo Stock Exchange 1st Section (Gross Total Return) index, and compared against the Investment Association Japan sector average return. The Investment Manager invests on a discretionary basis and is not limited to investing in accordance with the composition of the benchmark. The target benchmark has been selected because it is representative of the type of investments in which the Fund is likely to invest, and it is, therefore, an appropriate target in relation to the return that the Fund aims to provide. The comparator benchmark has been selected because the Investment Manager and the Manager believe that this benchmark is a suitable comparison for performance purposes given the Fund's investment objective and policy.

Review of Investment Activities

From 28 February 2022 to 28 February 2023, the price of Z Accumulation units on a dealing price basis rose 2.69%. In the same period, the Tokyo Stock Exchange 1st Section Index generated a total return of 1.69%¹ in sterling terms.

Despite a sharp increase in global uncertainty and subsequent developments on macroeconomic trends globally and in Japan, equity investors in Japan generally maintained some focus on stock-specific factors, which tended to benefit the Fund's relative performance. There has been no change in the strategy of the Fund in this period while we are making some changes in holdings and also has increased the active risk in the portfolio. We continue to emphasise sustainable mid to long-term quality earnings, focusing on company-specific factors and valuation.

In the early part of the review period, aside from the human tragedy unfolding in Ukraine, equity markets were focused primarily on the US inflation outlook and its impact on interest rates. Japan's equity market largely reflected movements in the US, although domestic sentiment was helped by the positive tone of the corporate results season for the fiscal year that ended in March. As concerns subsequently grew over the possibility of rising rates tipping the US economy into recession, the market volatility became larger globally and Japan was not an exception. Half year earnings results for the April to September period proved to be another strong set of results, particularly for larger companies benefiting from yen weakness. Even for domestic-oriented sectors, scope for margins were to be rebuilt as companies ultimately pass-through recent cost increases to end-consumers. The level of confidence among company managements was highlighted by the record level of share buybacks that have been announced throughout this fiscal year. Toward the end of 2022, the Bank of Japan decided to widen the band within which it has been maintaining 10-year bond yields. Although such a change had always been recognised by investors as a logical first step towards policy normalisation, the timing was a complete surprise. Sharp yen appreciation and rise in 10-year bond yields pushed the stock price down.

Moving into 2023, The Japanese stock market rose throughout January and February, reversing the decline seen in December. Investors' attention remained focused on the Bank of Japan including an appointment of new governor, Mr Kazuo Ueda, who is scheduled to replace Mr Kuroda in early April. The yen weakened sharply after the testimony to the Diet by Mr Ueda in late February as he appeared to prefer the status quo, meaning no immediate policy action. Yen weakness supported market sentiment, especially for exporters but reduced the total return for a sterling-based investor.

The Fund outperformed its benchmark during the twelve months, with positive contributions both from stock selection and sector allocation. The largest positive contribution came from Sumitomo Mitsui Financial Group, one of major banking groups, and a major non-life insurance company, Tokio Marine Holdings, also added value. Solid earnings and constant share buybacks were also appreciated in case of Tokio Marine. The largest offsetting negative impact came from not holding Mitsubishi UFJ Financial Group, another major banking group. Among the stocks held, Nomura Research Institute suffered stock price correction amid headwinds toward growth or high valuation stocks.

We remain positive on Japan based on the economic outlook for 2023, corporate earnings prospects, and valuation levels while we would need to be mindful of risks mainly coming from outside of Japan. In addition, Japan's specific structural developments, and Japanese companies' efforts to improve profitability, need to be emphasised.

Japan is at a different stage of its economic cycle compared to other parts of world, as Japanese GDP is expected to grow above its long-term trend rate in 2023. This is mainly caused by the delay of economic reopening for Japan, compared to other developed economies. Japanese consumption has been picking up from late last year and wage growth is the key where we see reasonably positive signs for Japanese companies to increase wages. Domestic consumption and inbound demands are expected to accelerate in 2023 and the capital expenditure by Japanese corporates is also growing solidly.

The fiscal year 2022 earnings results will be completed at end-March 2023 with reasonably solid figures and the valuation of the Japanese stock market remains attractive. We will continue to see the heated discussion around low P/B ratios and, associated with that, the profitability of Japanese companies will be highlighted. Share buybacks continue to outpace the historical amount and fiscal year 2022 will be recorded as the largest. More importantly, Japanese companies' top management has gradually but steadily accepted investors' viewpoints on profitability, cost of capital, and expected return from equities. We see this is more common in the large cap, but there remains room for improvement for mid and small cap companies. This can be seen as greater potential for change and eventually a revaluation of stock prices in mid and small caps, where the Fund is overweight.

¹ Source: Refinitiv Eikon Datastream.

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

**Fund Manager:
Masaki Taketsume**



Masaki Taketsume is a Japanese Equity Fund Manager at Schroders, based in London, with 27 years of investment experience

Masaki was appointed to a full-time fund management role from 2017. He joined Schroders in 2007 as the analyst for the Japanese technology sector, based in Tokyo

Immediately prior to Schroders, Masaki was a Japanese equity research analyst at Deutsche Trust Bank & Deutsche Securities from 2005 to 2007

His career in investment began with fund management roles at both Nikko Asset Management from 1994 and Deutsche Trust Bank from 1998

BA in Economics from Keio University, CMA from The Securities Analysts Association of Japan

Masaki is a CFA Charterholder

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.

There is a difference between unit classes caused by the technical nature of the calculation of the risk and reward indicator.

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

Statement of the Manager's Responsibilities

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

- select suitable accounting policies and then apply them consistently;
- comply with the disclosure requirements of the Statement of Recommended Practice for UK Authorised Funds issued by the Investment Management Association (now the Investment Association) in May 2014 and amended in June 2017;
- 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 28 February 2023 were signed on 16 June 2023 on behalf of the Manager by:

S. Reedy
Directors

A. O'Donoghue

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 Tokyo Fund ('the Fund') for the year ended 28 February 2023.

The Trustee of the Schroder Tokyo Fund must ensure that the Fund is managed in accordance with the Financial Conduct Authority's Collective Investment Schemes Sourcebook, the Financial Services and Markets Act 2000, as amended, (together 'the regulations'), the Trust Deed and Prospectus (together 'the Scheme documents') as detailed below.

The Trustee must in the context of its role act honestly, fairly, professionally, independently and in the interests of the Fund and its investors.

The Trustee is responsible for the safekeeping of all custodial assets and maintaining a record of all other assets of the Fund in accordance with the regulations.

The Trustee must ensure that:

- the Fund's cash flows are properly monitored and that cash of the Fund is booked in cash accounts in accordance with the regulations;
- the sale, issue, repurchase, redemption and cancellation of units are carried out in accordance with the regulations;
- the value of units of the Fund are calculated in accordance with the regulations;
- any consideration relating to transactions in the Fund's assets is remitted to the Fund within the usual time limits;
- the Fund's income is applied in accordance with the regulations; and
- the instructions of the Authorised Fund Manager ('the Manager'), which is the UCITS Management Company, are carried out (unless they conflict with the regulations).

The Trustee also has a duty to take reasonable care to ensure that the Fund is managed in accordance with the regulations and the Scheme documents of the Fund in relation to the investment and borrowing powers applicable to the Fund.

Having carried out such procedures as we considered necessary to discharge our responsibilities as Trustee of the Fund, it is our opinion, based on the information available to us and the explanations provided, that, in all material respects the Fund, acting through the Manager:

- (i) has carried out the issue, sale, redemption and cancellation, and calculation of the price of the Fund's units and the application of the Fund's income in accordance with the regulations and the Scheme documents of the Fund; and
- (ii) has observed the investment and borrowing powers and restrictions applicable to the Fund in accordance with the regulations and the Scheme documents of the Fund.

J.P. Morgan Europe Limited

Trustee
Bournemouth
15 March 2023

Independent auditors' report to the Unitholders of Schroder Tokyo Fund

Report on the audit of the financial statements

Opinion

In our opinion, the financial statements of Schroder Tokyo Fund (the "Fund"):

- give a true and fair view of the financial position of the Fund as at 28 February 2023 and of the net revenue and the net capital gains on its scheme property for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), the Statement of Recommended Practice for UK Authorised Funds, the Collective Investment Schemes sourcebook and the Trust Deed.

We have audited the financial statements, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Balance Sheet as at 28 February 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 Tokyo Fund (continued)

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

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

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

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

Use of this report

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

Other required reporting

Opinion on matter required by the Collective Investment Schemes sourcebook

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

Collective Investment Schemes sourcebook exception reporting

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors
Edinburgh
16 June 2023

Comparative Table

A Accumulation units

A Income units

Financial year to 28 February	2023 pence per unit	2022 pence per unit	2021 pence per unit	2023 pence per unit	2022 pence per unit	2021 pence per unit
Change in net asset value						
Opening net asset value	377.60	366.94	324.82	352.97	344.74	307.19
Return before operating charges*	14.28	17.12	47.85	13.37	16.15	45.29
Operating charges	(6.05)	(6.46)	(5.73)	(5.65)	(6.08)	(5.43)
Return after operating charges*	8.23	10.66	42.12	7.72	10.07	39.86
Distributions**	(3.13)	(1.95)	(2.43)	(2.93)	(1.84)	(2.31)
Retained distributions**	3.13	1.95	2.43	-	-	-
Closing net asset value	385.83	377.60	366.94	357.76	352.97	344.74
*after direct transaction costs of	(0.04)	(0.04)	(0.03)	(0.04)	(0.04)	(0.03)
Performance						
Return after charges (%)	2.18	2.91	12.97	2.19	2.92	12.98
Other information						
Closing net asset value (£000's)	156,361	168,434	190,543	36,396	57,993	62,130
Closing number of units	40,525,688	44,606,088	51,927,851	10,173,470	16,429,976	18,021,932
Operating charges (%)	1.60	1.66	1.67	1.60	1.66	1.67
Direct transaction costs (%)***	0.01	0.01	0.01	0.01	0.01	0.01
Prices						
Highest dealing price	396.80p	420.10p	391.03p	370.90p	394.80p	369.83p
Lowest dealing price	351.90p	359.60p	276.32p	329.00p	337.90p	261.34p

Comparative Table (continued)

Financial year to 28 February	GBP Hedged A Accumulation units			GBP Hedged A 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
Change in net asset value						
Opening net asset value	80.31	75.07	63.67	77.87	73.10	62.32
Return before operating charges*	9.94	6.64	12.48	9.65	6.49	12.30
Operating charges	(1.38)	(1.40)	(1.08)	(1.34)	(1.36)	(1.07)
Return after operating charges*	8.56	5.24	11.40	8.31	5.13	11.23
Distributions**	(0.63)	(0.37)	(0.45)	(0.61)	(0.36)	(0.45)
Retained distributions**	0.63	0.37	0.45	-	-	-
Closing net asset value	88.87	80.31	75.07	85.57	77.87	73.10
*after direct transaction costs of	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Performance						
Return after charges (%)	10.66	6.98	17.90	10.67	7.02	18.02
Other information						
Closing net asset value (£000's)	375	455	519	32	30	30
Closing number of units	421,612	566,568	691,197	37,792	37,792	41,361
Operating charges (%)	1.63	1.70	1.67	1.63	1.70	1.67
Direct transaction costs (%)***	0.01	0.01	0.01	0.01	0.01	0.01
Prices						
Highest dealing price	90.02p	88.29p	79.31p	87.30p	86.00p	77.70p
Lowest dealing price	74.23p	76.35p	49.77p	71.97p	74.36p	48.85p

Comparative Table (continued)

Financial year to 28 February	GBP Hedged L Accumulation units			GBP Hedged L 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
Change in net asset value						
Opening net asset value	84.44	78.27	65.75	78.58	73.76	62.83
Return before operating charges*	10.45	6.92	13.08	9.72	6.56	12.47
Operating charges	(0.76)	(0.75)	(0.56)	(0.72)	(0.70)	(0.54)
Return after operating charges*	9.69	6.17	12.52	9.00	5.86	11.93
Distributions**	(1.35)	(1.10)	(1.04)	(1.25)	(1.04)	(1.00)
Retained distributions**	1.35	1.10	1.04	-	-	-
Closing net asset value	94.13	84.44	78.27	86.33	78.58	73.76
*after direct transaction costs of	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Performance						
Return after charges (%)	11.48	7.88	19.04	11.45	7.94	18.99
Other information						
Closing net asset value (£000's)	3,606	10,979	12,049	3,632	5,415	8,638
Closing number of units	3,830,251	13,001,502	15,393,939	4,207,565	6,891,006	11,710,981
Operating charges (%)	0.87	0.87	0.84	0.87	0.87	0.84
Direct transaction costs (%)***	0.01	0.01	0.01	0.01	0.01	0.01
Prices						
Highest dealing price	95.15p	92.48p	82.67p	88.55p	87.17p	78.96p
Lowest dealing price	78.07p	79.74p	51.57p	72.64p	75.17p	49.26p

Comparative Table (continued)

Financial year to 28 February	GBP Hedged Z Accumulation units			GBP Hedged 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
Change in net asset value						
Opening net asset value	86.16	79.95	67.36	78.16	73.38	62.52
Return before operating charges*	10.72	7.04	13.22	9.72	6.52	12.39
Operating charges	(0.86)	(0.83)	(0.63)	(0.78)	(0.77)	(0.59)
Return after operating charges*	9.86	6.21	12.59	8.94	5.75	11.80
Distributions**	(1.30)	(1.05)	(1.02)	(1.18)	(0.97)	(0.94)
Retained distributions**	1.30	1.05	1.02	-	-	-
Closing net asset value	96.02	86.16	79.95	85.92	78.16	73.38
*after direct transaction costs of	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Performance						
Return after charges (%)	11.44	7.77	18.69	11.44	7.84	18.87
Other information						
Closing net asset value (£000's)	22,444	24,000	30,849	4,473	5,650	5,608
Closing number of units	23,374,716	27,855,366	38,587,231	5,206,432	7,229,145	7,641,952
Operating charges (%)	0.95	0.95	0.92	0.95	0.95	0.92
Direct transaction costs (%)***	0.01	0.01	0.01	0.01	0.01	0.01
Prices						
Highest dealing price	97.10p	94.39p	84.44p	88.08p	86.69p	78.51p
Lowest dealing price	79.65p	81.42p	52.79p	72.25p	74.77p	49.00p

Comparative Table (continued)

Financial year to 28 February	H Accumulation units			H 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
Change in net asset value						
Opening net asset value	92.93	89.41	78.37	82.96	81.04	72.17
Return before operating charges*	3.55	4.15	11.60	3.17	3.79	10.69
Operating charges	(0.61)	(0.63)	(0.56)	(0.55)	(0.57)	(0.51)
Return after operating charges*	2.94	3.52	11.04	2.62	3.22	10.18
Distributions**	(1.66)	(1.43)	(1.42)	(1.48)	(1.30)	(1.31)
Retained distributions**	1.66	1.43	1.42	-	-	-
Closing net asset value	95.87	92.93	89.41	84.10	82.96	81.04
*after direct transaction costs of	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Performance						
Return after charges (%)	3.16	3.94	14.09	3.16	3.97	14.11
Other information						
Closing net asset value (£000's)	39,821	41,784	44,211	4,319	4,557	4,948
Closing number of units	41,538,299	44,961,150	49,447,990	5,135,850	5,493,138	6,105,622
Operating charges (%)	0.66	0.66	0.67	0.66	0.66	0.67
Direct transaction costs (%)***	0.01	0.01	0.01	0.01	0.01	0.01
Prices						
Highest dealing price	98.53p	103.00p	95.25p	87.96p	93.34p	87.73p
Lowest dealing price	86.74p	87.81p	66.70p	77.43p	79.61p	61.43p

Comparative Table (continued)

Financial year to 28 February	L Accumulation units			L 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
Change in net asset value						
Opening net asset value	92.74	89.38	78.48	83.88	81.93	72.96
Return before operating charges*	3.53	4.16	11.60	3.19	3.83	10.81
Operating charges	(0.78)	(0.80)	(0.70)	(0.70)	(0.73)	(0.65)
Return after operating charges*	2.75	3.36	10.90	2.49	3.10	10.16
Distributions**	(1.49)	(1.26)	(1.28)	(1.34)	(1.15)	(1.19)
Retained distributions**	1.49	1.26	1.28	-	-	-
Closing net asset value	95.49	92.74	89.38	85.03	83.88	81.93
*after direct transaction costs of	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Performance						
Return after charges (%)	2.97	3.76	13.89	2.97	3.78	13.93
Other information						
Closing net asset value (£000's)	87,034	99,599	131,756	39,764	58,285	78,174
Closing number of units	91,140,794	107,396,169	147,409,945	46,765,732	69,489,892	95,420,171
Operating charges (%)	0.84	0.84	0.84	0.84	0.84	0.84
Direct transaction costs (%)***	0.01	0.01	0.01	0.01	0.01	0.01
Prices						
Highest dealing price	98.16p	102.80p	95.23p	88.78p	94.27p	88.55p
Lowest dealing price	86.54p	87.75p	66.78p	78.27p	80.46p	62.10p

Comparative Table (continued)

Financial year to 28 February	S Income units			Z Accumulation 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
Change in net asset value						
Opening net asset value	86.65	84.64	75.37	118.56	114.36	100.48
Return before operating charges*	3.32	3.97	11.18	4.52	5.32	14.85
Operating charges	(0.47)	(0.49)	(0.44)	(1.09)	(1.12)	(0.97)
Return after operating charges*	2.85	3.48	10.74	3.43	4.20	13.88
Distributions**	(1.65)	(1.47)	(1.47)	(1.80)	(1.51)	(1.56)
Retained distributions**	-	-	-	1.80	1.51	1.56
Closing net asset value	87.85	86.65	84.64	121.99	118.56	114.36
*after direct transaction costs of	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Performance						
Return after charges (%)	3.29	4.11	14.25	2.89	3.67	13.81
Other information						
Closing net asset value (£000's)	59,711	63,228	62,246	145,293	217,010	249,496
Closing number of units	67,972,562	72,971,130	73,542,017	119,105,218	183,033,417	218,165,736
Operating charges (%)	0.54	0.54	0.54	0.92	0.92	0.92
Direct transaction costs (%)***	0.01	0.01	0.01	0.01	0.01	0.01
Prices						
Highest dealing price	91.98p	97.56p	91.73p	125.40p	131.50p	121.84p
Lowest dealing price	80.89p	83.18p	64.16p	110.60p	112.30p	85.51p

Comparative Table (continued)

Financial year to 28 February	Z Income units		
	2023 pence per unit	2022 pence per unit	2021 pence per unit
Change in net asset value			
Opening net asset value	105.10	102.66	91.44
Return before operating charges*	4.00	4.81	13.53
Operating charges	(0.96)	(1.01)	(0.89)
Return after operating charges*	3.04	3.80	12.64
Distributions**	(1.60)	(1.36)	(1.42)
Closing net asset value	106.54	105.10	102.66
*after direct transaction costs of	(0.01)	(0.01)	(0.01)
Performance			
Return after charges (%)	2.89	3.70	13.82
Other information			
Closing net asset value (£000's)	41,039	89,600	114,709
Closing number of units	38,518,194	85,248,536	111,733,123
Operating charges (%)	0.92	0.92	0.92
Direct transaction costs (%)***	0.01	0.01	0.01
Prices			
Highest dealing price	111.20p	118.10p	110.89p
Lowest dealing price	98.07p	100.80p	77.82p

** 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.

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 28.2.23	Market Value £000's	% of net assets
Equities 100.54% (99.68%)			
Basic Materials 5.22% (4.53%)			
Asahi Holdings	715,000	8,633	1.34
Mitsui Chemicals	342,700	6,816	1.06
Nippon Soda	391,100	10,945	1.70
NOF	205,900	7,229	1.12
		33,623	5.22
Consumer Discretionary 17.63% (20.03%)			
Bandai Namco Holdings	120,200	6,123	0.95
Bridgestone	311,400	9,853	1.53
NGK Spark Plug	550,300	9,137	1.42
Rinnai	81,700	4,726	0.73
Roland	207,100	4,917	0.76
Seven & i Holdings	551,600	20,367	3.16
Suzuki Motor	381,300	11,057	1.72
Toho	255,600	7,323	1.14
Toyota Industries	167,800	8,110	1.26
Toyota Motor	2,248,000	25,348	3.93
Yokowo	549,600	6,616	1.03
		113,577	17.63
Consumer Staples 4.37% (3.07%)			
Asahi Group Holdings	718,700	20,976	3.26
PALTAC	239,400	7,179	1.11
		28,155	4.37
Energy 0.00% (1.25%)			
Financials 13.32% (11.83%)			
AEON Financial Service	1,034,400	8,104	1.26
ORIX	1,314,100	19,451	3.02
Sumitomo Mitsui Financial Group	784,400	28,335	4.40
T&D Holdings	1,150,400	14,371	2.23
Tokio Marine Holdings	888,300	15,567	2.41
		85,828	13.32
Health Care 6.23% (7.00%)			
Astellas Pharma	976,600	11,358	1.76
Nihon Kohden	352,500	7,278	1.13
Ship Healthcare Holdings	416,100	6,200	0.96
Takeda Pharmaceutical	600,200	15,312	2.38
		40,148	6.23
Industrials 32.28% (31.50%)			
AGC	339,900	10,368	1.61
Aica Kogyo	459,700	8,614	1.34
Amada	1,509,100	11,329	1.76
Doshisha	254,600	2,825	0.44
East Japan Railway	25,000	1,046	0.16
Fukushima Galilei	338,800	8,916	1.38
Hitachi	511,400	21,320	3.31
Hosokawa Micron	440,200	7,354	1.14
INFRONEER Holdings	1,320,100	8,269	1.28
Intage Holdings	205,500	1,822	0.28

	Holding at 28.2.23	Market Value £000's	% of net assets
Isuzu Motors	736,400	7,270	1.13
ITOCHU	190,900	4,709	0.73
Kohoku Kogyo	188,000	6,510	1.01
Kureha	168,600	8,629	1.34
Mitsui	743,700	17,200	2.67
Miura	543,000	10,800	1.68
Nichias	426,200	6,939	1.08
Nippon Densetsu Kogyo	690,200	6,370	0.99
Park24	486,800	5,883	0.91
Recruit Holdings	377,200	8,463	1.31
Rheon Automatic Machinery	1,020,900	7,708	1.20
Sanki Engineering	861,600	7,973	1.24
Sankyu	337,900	10,245	1.59
SMC	20,400	8,536	1.32
Trusco Nakayama	651,800	8,913	1.38
		208,011	32.28
Real Estate 0.80% (3.00%)			
Mitsui Fudosan	327,300	5,149	0.80
		5,149	0.80
Technology 13.53% (10.61%)			
Digital Garage	138,400	3,768	0.59
Disco	18,300	4,727	0.73
Ibiden	342,000	9,685	1.50
Mimasu Semiconductor Industry	567,400	8,905	1.38
Nomura Research Institute	477,400	8,786	1.36
Otsuka	319,800	8,901	1.38
Ricoh	1,725,300	11,048	1.72
Rohm	179,500	11,386	1.77
Tazmo	221,600	2,520	0.39
TDK	450,000	12,430	1.93
WingArc1st	468,100	5,001	0.78
		87,157	13.53
Telecommunications 5.79% (5.66%)			
NEC Networks & System Integration	867,200	8,782	1.37
Nippon Telegraph & Telephone	1,190,700	28,491	4.42
		37,273	5.79
Utilities 1.37% (1.20%)			
Daiei Kankyo	215,800	2,374	0.37
Nippon Gas	562,100	6,469	1.00
		8,843	1.37
Equities total		647,764	100.54
Forward Foreign Currency Contracts 0.09% ((0.04)%)			
Buy JPY 47 Sell GBP 0 31/03/2023		0	0.00
Buy JPY 709,408,143 Sell GBP 4,357,961 31/03/2023		(54)	(0.01)

Portfolio Statement (continued)

	Holding at 28.2.23	Market Value £000's	% of net assets
Sell JPY 6,307,073,733 Buy GBP 38,903,865 31/03/2023		640	0.10
Forward Foreign Currency Contracts total		586	0.09

	Holding at 28.2.23	Market Value £000's	% of net assets
Portfolio of investments		648,350	100.63
Net other liabilities		(4,050)	(0.63)
Net assets attributable to unitholders		644,300	100.00

The comparative percentage figures in brackets are as at 28 February 2022.
Unless otherwise stated, all securities are admitted to official stock exchange listings.

Statement of Total Return

For the year ended 28 February 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
Income					
Net capital gains	2		13,777		31,355
Revenue	3	21,639		23,307	
Expenses	4	(8,199)		(10,064)	
Net revenue before taxation		13,440		13,243	
Taxation	5	(2,162)		(2,331)	
Net revenue after taxation			11,278		10,912
Total return before distributions			25,055		42,267
Distributions	6		(11,280)		(10,925)
Change in net assets attributable to unitholders from investment activities			13,775		31,342

Statement of Change in Net Assets Attributable to Unitholders

For the year ended 28 February 2023

	2023		2022	
	£000's	£000's	£000's	£000's
Opening net assets attributable to unitholders		847,019		995,906
Amounts receivable on issue of units	48,565		34,117	
Amounts payable on cancellation of units	(271,070)		(220,452)	
		(222,505)		(186,335)
Dilution adjustment		194		30
Change in net assets attributable to unitholders from investment activities		13,775		31,342
Retained distribution on Accumulation units		5,817		6,076
Closing net assets attributable to unitholders		644,300		847,019

Balance Sheet

As at 28 February 2023

	Notes	2023		2022	
		£000's	£000's	£000's	£000's
Assets					
Investments			648,404		844,268
Current assets					
Debtors	8		2,393		4,415
Cash and bank balances			3,639		6,601
Total assets			654,436		855,284
Liabilities					
Investment liabilities			(54)		(323)
Creditors					
Bank overdrafts	9		(544)		(187)
Distributions payable			(2,854)		(3,545)
Other creditors	10		(6,684)		(4,210)
Total liabilities			(10,136)		(8,265)
Net assets attributable to unitholders			644,300		847,019

Notes to the Accounts

For the year ended 28 February 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 receivable from equity investments 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.

Special dividends

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

Expenses

Expenses of the Fund are charged against revenue except for costs associated with the purchase and sale of investments which are allocated to the capital of the Fund. All expenses are accounted for on an accruals basis.

Taxation

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

Deferred taxation is provided for on all timing differences that have originated but not reversed by the balance sheet date, other than those differences regarded as permanent. Any liability to deferred taxation is provided for at the average rate of taxation expected to apply. Deferred tax assets and liabilities are not discounted to reflect the time value of money.

Distributions

The revenue available for distribution is the total revenue earned by the Fund, less deductible expenses and taxation charged to revenue.

For Accumulation units this revenue is not distributed but automatically reinvested in the Fund and is reflected in the value of these units.

Dilution adjustment

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

Valuation

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

Foreign currencies

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

Sterling hedge unit classes

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

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

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

2 Net capital gains

The net capital gains during the year comprise:

	2023	2022
	£000's	£000's
Non-derivative securities	10,544	29,721
Forward foreign currency contracts	3,047	2,097
Foreign currency gains/(losses)	186	(470)
Transaction costs	-	7
Net capital gains	13,777	31,355

Notes to the Accounts

For the year ended 28 February 2023 (continued)

3 Revenue

	2023	2022
	£000's	£000's
Overseas dividends	21,619	23,306
Bank interest	20	1
Total revenue	21,639	23,307

4 Expenses

	2023	2022
	£000's	£000's
Payable to the Manager, associates of the Manager and agents of either of them:		
Annual management charge	-	49
Administration charge	-	8
Schroders Annual Charge ^{1,2}	8,182	9,982
	8,182	10,039
Payable to the Trustee, associates of the Trustee and agents of either of them:		
Safe custody fees	-	4
Other expenses:		
Interest payable	17	21
Total expenses	8,199	10,064

- 1 Fees such as the Annual Management Charge, Administration 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 £13,646 (2022 - £10,741).

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	2022
	£000's	£000's
Overseas withholding tax	2,162	2,331
Total current tax (Note 5(b))	2,162	2,331

(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	2022
	£000's	£000's
Net revenue before taxation	13,440	13,243
Net revenue for the year before taxation multiplied by the standard rate of corporation tax	2,688	2,649
Effects of:		
Revenue not subject to corporation tax	(4,324)	(4,662)
Movement in excess management expenses	1,636	2,009
Overseas withholding tax	2,162	2,331
Loan relationship deficit	-	4
Current tax charge for the year (Note 5(a))	2,162	2,331

Notes to the Accounts

For the year ended 28 February 2023 (continued)

(c) Factors that may affect future tax charges

At the balance sheet date, there is a potential deferred tax asset of £51,570,006 (2022 – £49,934,256) 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	2022
	£000's	£000's
Final Dividend distribution	8,670	9,621
Add: Revenue deducted on cancellation of units	3,249	1,597
Deduct: Revenue received on issue of units	(639)	(293)
Distributions	11,280	10,925
Net revenue after taxation	11,278	10,912
Equalisation on conversions	2	13
Distributions	11,280	10,925

Details of the distributions per unit are set out in the Distribution Table on pages 28 to 29.

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	647,764	-	844,268	-
Level 2: Observable market data	640	(54)	-	(323)
Level 3: Unobservable data	-	-	-	-
Total	648,404	(54)	844,268	(323)

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	2022
	£000's	£000's
Amounts receivable for issue of units	58	60
Sales awaiting settlement	970	2,561
Accrued revenue	1,365	1,794
Total debtors	2,393	4,415

9 Bank Overdrafts

	2023	2022
	£000's	£000's
Amounts overdrawn at futures clearing houses and brokers	544	187
Total bank overdrafts	544	187

Notes to the Accounts

For the year ended 28 February 2023 (continued)

10 Other creditors

	2023	2022
	£000's	£000's
Amounts payable for cancellation of units	5,104	1,886
Purchases awaiting settlement	1,010	1,622
Accrued expenses	570	702
Total other creditors	6,684	4,210

11 Contingent liabilities

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

12 Related party transactions

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

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

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

Units held or managed by the Manager or associates of the Manager as a percentage of the Fund's net asset value at the balance sheet date were 11.35% (2022 – 8.74%).

13 Unit classes

At the reporting date the Fund had fifteen 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 17.

The distributions per unit class are given in the Distribution Table on pages 28 to 29.

All classes have the same rights on winding up.

14 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 £64,835,000 (2022 - £84,394,500).

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:

	2023	2022
Currency	£000's	£000's
Japanese yen	617,937	801,804
Sterling	26,363	45,215

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 £61,793,700 (2022 - £80,180,400).

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.

Notes to the Accounts

For the year ended 28 February 2023 (continued)

Interest rate risk

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

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

At the year end date 0.48% (2022 – 0.85%) of the net assets of the Fund were interest bearing and as such the interest rate risk is not considered significant.

Floating rate financial assets and financial liabilities

Sterling denominated bank balances bear interest at rates based on the Sterling Overnight Index Average Rate. Foreign currency bank balances and Bank overdrafts 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.

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 28 February 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 28 February	Lowest	Highest	Average	Leverage 28 February
	0.00%	2.00%	0.02%	0.00%	0.00%	0.00%	0.00%	0.00%

15 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
Purchases						
Equities	184,484	48	-	184,532	0.03	-
Sales						
Equities	391,667	(87)	-	391,580	(0.02)	-
Total cost of the Fund's average net asset value (%)		0.02	-			

2022	Principal £000's	Commissions £000's	Taxes £000's	Total cost £000's	Commissions % of principal	Taxes % of principal
Purchases						
Equities	179,419	43	-	179,462	0.02	-
Sales						
Equities	358,677	(81)	-	358,596	(0.02)	-
Total cost of the Fund's average net asset value (%)		0.01	-			

Notes to the Accounts

For the year ended 28 February 2023 (continued)

Average portfolio dealing spread

As at the balance sheet date the average portfolio dealing spread was 0.24% (2022 – 0.21%).

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.

16 Units in issue reconciliation

	Number of units in issue 28.2.22	Number of units issued	Number of units cancelled	Number of units converted	Number of units in issue 28.2.23
A Accumulation units	44,606,088	1,233,660	(4,304,693)	(1,009,367)	40,525,688
A Income units	16,429,976	380,301	(6,548,313)	(88,494)	10,173,470
GBP Hedged A Accumulation units	566,568	8,844	(153,800)	-	421,612
GBP Hedged A Income units	37,792	-	-	-	37,792
GBP Hedged L Accumulation units	13,001,502	73,522	(9,244,773)	-	3,830,251
GBP Hedged L Income units	6,891,006	23,257	(2,690,253)	(16,445)	4,207,565
GBP Hedged Z Accumulation units	27,855,366	1,037,203	(5,514,979)	(2,874)	23,374,716
GBP Hedged Z Income units	7,229,145	185,438	(2,227,854)	19,703	5,206,432
H Accumulation units	44,961,150	305,925	(3,608,541)	(120,235)	41,538,299
H Income units	5,493,138	220,223	(619,721)	42,210	5,135,850
L Accumulation units	107,396,169	5,819,358	(25,938,532)	3,863,799	91,140,794
L Income units	69,489,892	1,372,643	(24,035,183)	(61,620)	46,765,732
S Income units	72,971,130	19,481,475	(24,480,043)	-	67,972,562
Z Accumulation units	183,033,417	11,775,408	(75,956,119)	252,512	119,105,218
Z Income units	85,248,536	4,004,700	(51,083,875)	348,833	38,518,194

17 Counterparty exposure

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

Counterparty	Forward foreign currency contracts £000's	Credit default swaps £000's	Commodity index swaps £000's	Contract for difference £000's	Interest rate swaps £000's	Total return swaps £000's	Inflation linked swaps £000's	Options contracts £000's	Swaption contracts £000's	Total £000's
HSBC										
2023	586	-	-	-	-	-	-	-	-	586
2022	(323)	-	-	-	-	-	-	-	-	(323)

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

Counterparty	2023 £000's	2022 £000's
HSBC	544	187
Total	544	187

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

	2023 £000's	2022 £000's
Cash	544	187
Total	544	187

Notes to the Accounts

For the year ended 28 February 2023 (continued)

18 Non-adjusting post balance sheet events

As a result of market movements and foreign exchange rates, since the balance sheet date on 28 February 2023, the price of each unit class has changed as follows:

	Dealing price 13.6.23	Dealing price 28.2.23	% change
A Accumulation units	413.60p	386.30p	7.07
A Income units	383.50p	361.10p	6.20
GBP Hedged A Accumulation units	101.80p	88.98p	14.41
GBP Hedged A Income units	98.08p	86.28p	13.68
GBP Hedged L Accumulation units	108.10p	94.25p	14.69
GBP Hedged L Income units	99.16p	87.69p	13.08
GBP Hedged Z Accumulation units	110.20p	96.14p	14.62
GBP Hedged Z Income units	98.68p	87.21p	13.15
H Accumulation units	103.00p	95.99p	7.30
H Income units	90.42p	85.69p	5.52
L Accumulation units	102.60p	95.61p	7.31
L Income units	91.37p	86.48p	5.65
S Income units	94.48p	89.61p	5.43
Z Accumulation units	131.00p	122.10p	7.29
Z Income units	114.50p	108.30p	5.72

Distribution Table

Final distribution for the year ended 28 February 2023

Group 1 Units purchased prior to 1 March 2022

Group 2 Units purchased on or after 1 March 2022

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution payable 30.4.23 per unit	Distribution paid 30.4.22 per unit
A Accumulation units				
Group 1	3.1316p	-	3.1316p	1.9514p
Group 2	0.5931p	2.5385p	3.1316p	1.9514p
A Income units				
Group 1	2.9322p	-	2.9322p	1.8390p
Group 2	-	2.9322p	2.9322p	1.8390p
GBP Hedged A Accumulation units				
Group 1	0.6290p	-	0.6290p	0.3687p
Group 2	-	0.6290p	0.6290p	0.3687p
GBP Hedged A Income units				
Group 1	0.6104p	-	0.6104p	0.3606p
Group 2	0.6104p	-	0.6104p	0.3606p
GBP Hedged L Accumulation units				
Group 1	1.3450p	-	1.3450p	1.1008p
Group 2	0.5252p	0.8198p	1.3450p	1.1008p
GBP Hedged L Income units				
Group 1	1.2529p	-	1.2529p	1.0380p
Group 2	0.6324p	0.6205p	1.2529p	1.0380p
GBP Hedged Z Accumulation units				
Group 1	1.3019p	-	1.3019p	1.0540p
Group 2	0.3343p	0.9676p	1.3019p	1.0540p
GBP Hedged Z Income units				
Group 1	1.1810p	-	1.1810p	0.9680p
Group 2	0.3841p	0.7969p	1.1810p	0.9680p
H Accumulation units				
Group 1	1.6565p	-	1.6565p	1.4316p
Group 2	0.5825p	1.0740p	1.6565p	1.4316p
H Income units				
Group 1	1.4788p	-	1.4788p	1.2978p
Group 2	0.3364p	1.1424p	1.4788p	1.2978p
L Accumulation units				
Group 1	1.4851p	-	1.4851p	1.2592p
Group 2	0.3282p	1.1569p	1.4851p	1.2592p
L Income units				
Group 1	1.3428p	-	1.3428p	1.1531p
Group 2	0.5884p	0.7544p	1.3428p	1.1531p
S Income units				
Group 1	1.6492p	-	1.6492p	1.4653p
Group 2	0.0530p	1.5962p	1.6492p	1.4653p
Z Accumulation units				
Group 1	1.8030p	-	1.8030p	1.5139p
Group 2	0.4802p	1.3228p	1.8030p	1.5139p

Distribution Table (continued)

	Net revenue 2023 per unit	Equalisation 2023 per unit	Distribution payable 30.4.23 per unit	Distribution paid 30.4.22 per unit
Z Income units				
Group 1	1.5992p	–	1.5992p	1.3598p
Group 2	0.4842p	1.1150p	1.5992p	1.3598p

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 SUTL¹. Employees of other Schroders Group entities who serve as Directors of SUTL receive no additional fees in respect of their role on the Board of SUTL.
- The following disclosures relate to UCITS MRTs of SUTL. Most of those UCITS MRTs were employed by and provided services to other Schroders group companies and clients. In the interests of transparency, the aggregate remuneration figures that follow reflect the full remuneration for each SUTL UCITS MRT. The aggregate total remuneration paid to the 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.

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 Auditors

PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

Authorisation

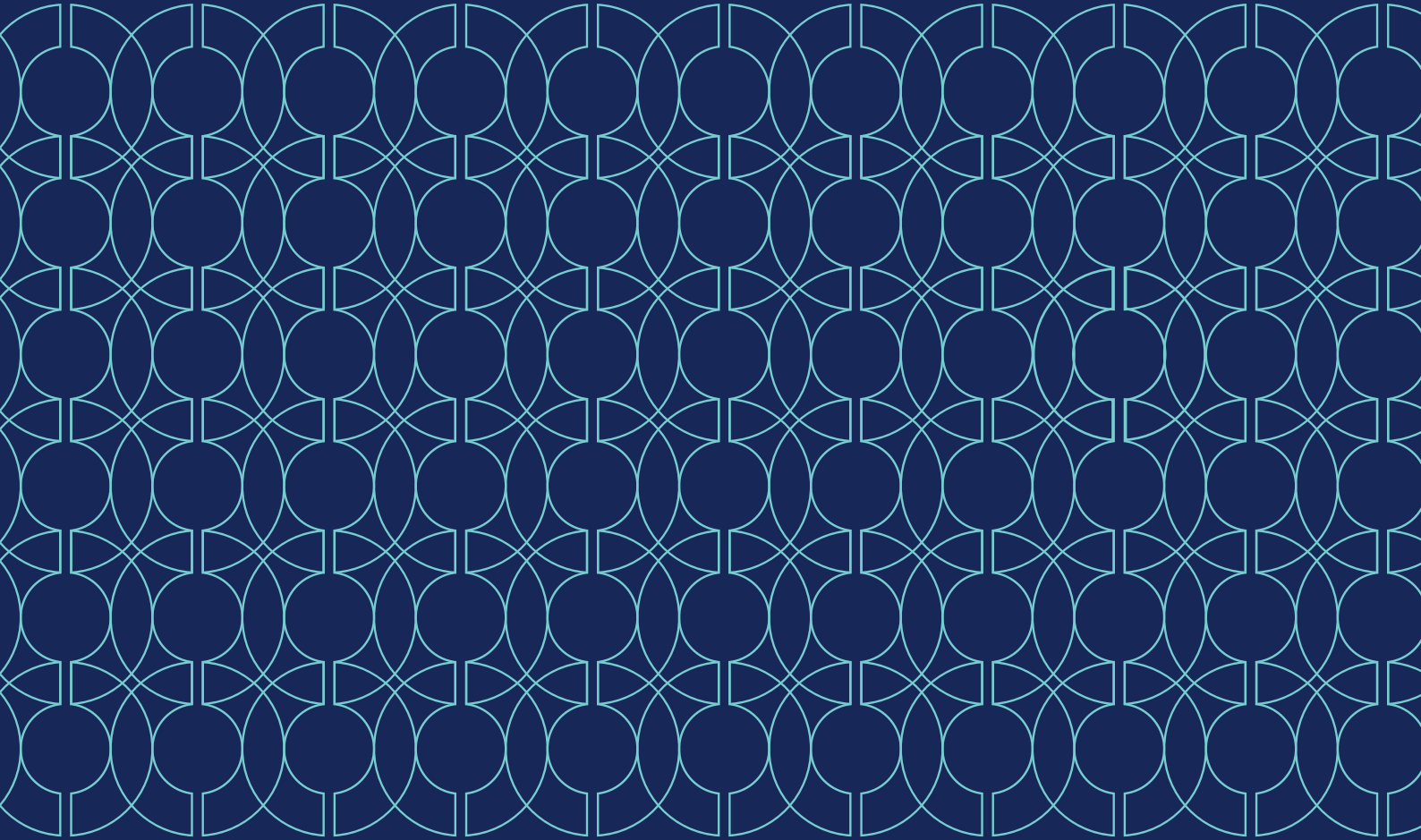
The Fund is an authorised unit trust and is constituted pursuant to the Collective Investment Schemes sourcebook and is structured as a Trust. The Fund is a UCITS scheme for the purpose of the categorisation of the Collective Investment Schemes sourcebook.

Value Assessment

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

Other information

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



EST. 1804

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

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